

1320

United States

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Circuit Court of Appeals

For the Ninth Circuit.

Transcript of Record.

(IN FOUR VOLUMES.)

DAVID TAYLOR,

Appellant,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES COMPANY,
a Corporation, TUNGSTEN PRODUCTS COMPANY,
a Corporation, MILL CITY DEVELOPMENT COM-
PANY, a Corporation, W. J. LORING, C. W POOLE,
R. NENZEL, H. J. MURRISH, L. A. FRIEDMAN,
C. H. JONES, G. K. HINCH, J. T. GOODIN, V. A.
TWIGG, J. C. HUNTINGTON and LENA J. FRIED-
MAN, Individually,

Appellees.

VOLUME III.

(Pages 769 to 1184, Inclusive.)

Upon Appeal from the United States District Court for the
District of Nevada.

FILED

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F. D. MONCKTON,
CLERK

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VOLUME III.
(Pages 769 to 1184, Inclusive.)

Upon Appeal from the United States District Court for the
District of Nevada.

Testimony of H. J. Murrish, for Defendants (In Rebuttal).

Mr. H. J. MURRISH, called in rebuttal, testified as follows:

Mr. WHEELER.—(Q) Mr. Murrish, at any of the interviews that you had in San Francisco with Mr. Jackson and others, prior to the presentation to you of the draft of contract made by Mr. Jackson at that time, was any paper produced by Mr. Jackson and presented to you for inspection?

Mr. THATCHER.—Objected to as not surrebuttal.

The COURT.—Has he not already testified on this very point?

Mr. WHEELER.—No, your Honor, not as to any paper; he has testified as to a particular paper.

The COURT.—Well, I will let him answer; but this has nothing to do with Exhibit “Z”?

Mr. WHEELER.—It has not, your Honor, for we have admitted that Exhibit “Z” is not the paper that was then presented; that stands admitted, notwithstanding the witness at the last hearing said that that paper had been presented.

WITNESS.—I would say there was a memorandum of the main points included in the modified option in use during those conversations and during the meetings, and prior to the time of the execution of the contract that was submitted to the creditors.

Mr. THATCHER.—I move to strike the answer out, now that it has been given, upon the ground it is not surrebuttal.

The COURT.—It seems to me that he testified

(Testimony of H. J. Murrish.)

to that very matter before, and said that this was the document.

Mr. WHEELER.—No question but that the witness has so testified, your Honor. But here is the proposition, your Honor. We have conceded, because we think there can be no question as to the facts [591—586] that this particular piece of paper was not presented; its contents are not a matter of any importance in this case whatever, as we understand it, and it was not offered because the contents were important; it was offered merely as a part of the transaction. The witness, we concede, was wrong in identifying that paper; Mr. Thatcher's statement is there to show on that point; we do wish to know whether or not it is the fact that some paper was produced at that time. The witness Mr. Jackson has testified that he is not sure upon that point.

The COURT.—I didn't quite understand his testimony that way. I will let you put it in.

Mr. WHEELER.—I think that is all.

Mr. THATCHER.—No cross-examination.

By the COURT.—What sort of paper was that, Mr. Murrish?

A. It was just a single sheet of paper.

Q. Was it typewritten?

A. As I recall it, it was.

Q. Just one sheet. A. Yes.

Q. No cover on it? A. No.

Q. Any handwriting on the paper?

A. May I explain?

(Testimony of H. J. Murrish.)

Q. No, just answer that question.

A. When I saw this paper—

Q. Just answer whether there was any writing on it besides the typewriting? A. I don't know.

Q. And do you feel certain it was a typewritten paper?

A. I feel quite sure it was, but I would not want to swear to that as an absolute fact, but I feel confident it was.

Q. How long did you have it in your possession?

A. I never had it in my possession, your Honor.

Q. In whose possession did you see it?

A. It was in use during the meeting, and it was in the files of [592—587] the company, and Mr. Nenzel said that he had taken it from the meeting.

Q. You don't know who presented it at the meeting?

A. No, the meetings were informal.

Q. Do you know that Mr. Jackson ever had that paper in his hands?

A. Well, I should say yes, that he did have it in his hands,

Q. Would you say positively that he had it in his hands at that meeting?

A. No, I would not say whether Mr. Jackson or Mr. Taylor submitted it.

Q. Would you want to say that Mr. Jackson submitted it? A. Yes.

Q. What would you say about Mr. Nenzel having produced it from the files of the Company?

A. Well, that I can't explain, your Honor.

(Testimony of H. J. Murrish.)

Q. Now isn't it very possible that Mr. Nenzel produced this very document, Exhibit "Z" at that meeting, and that you saw it, and that that is still the document that you were testifying to, and that Mr. Jackson never saw it?

A. That is possible but I know that it is not so for the reason that the memorandum on this paper was not any memorandum that came from our suggestion.

Q. Then it didn't come from the files of the company?

A. No, since this suit was brought, I said, your Honor, that I had seen it in the files of the company.

Q. It was not produced then at that meeting; it could not have been produced at that meeting by Mr. Nenzel from the files of the company?

A. Oh, no; no.

The COURT.—That is all.

Mr. WHEELER.—I would like to ask a few questions based on your Honor's questions. (Q.) You said that it was produced from the files of the company by Mr. Nenzel, when? [593—588]

A. During the progress for preparation of this trial.

Q. When you say that do you believe that to be the document that you had seen in San Francisco.

Mr. THATCHER.—Object as not surrebuttal.

The COURT.—I don't think any of it is really surrebuttal, but I have admitted it because I would like to know just what the truth is with reference to that.

(Testimony of H. J. Murrish.)

Mr. THATCHER.—I withdraw my objection.

Mr. WHEELER.—Answer the question, please.

(The reporter reads the question.)

A. I do, and chiefly for this reason; that in this document the percentage that the ore had to run is stated, and in the contract as submitted to the creditors it is not; there is no statement about 1.75 tungstic acid, but that was in this memorandum; and in addition to that there was a difference in percentages; 65 per cent to go to Mr. Taylor is mentioned in that, and 62 per cent was the agreement of April 2d, and it was the agreement, as submitted to the creditors. Now these changes were both discussed at that meeting, or at the various meetings, and when I saw these two provisions, I am free to confess I took it for granted that this was the memorandum at that meeting.

Q. There was at that meeting some other memorandum, if not this Exhibit "Z"? A. There was.

Q. And it was not the memorandum, or not the draft of contract that has appeared here?

A. No.

Q. You are still positive that there was some memorandum in writing which preceded the draft of contract? A. Oh, absolutely so.

Mr. WHEELER.—That is all.

The COURT.—(Q.) Well, now, are you positive that Mr. Jackson presented it?

A. No, I am not; it was submitted by Mr. Taylor [594—589] or his attorneys; it came from the other side.

(Testimony of H. J. Murrish.)

Q. Which one of them presented it?

A. I could not tell you that, your Honor. As I say, the meetings were informal; we sat around the tables, and the paper was there; I don't remember just when it was presented; we were discussing various things, and I don't remember who took it up first, but I remember seeing the paper there.

The COURT.—That is all.

Mr. THATCHER.—(Q.) Mr. Murrish, you now appreciate the difference between Exhibit “Z” and the memorandum which you stated Mr. Jackson presented at that meeting?

A. Yes. I stated Mr. Jackson presented it; Mr. Jackson was presenting all of these arguments for Mr. Taylor.

Q. As a matter of fact, Mr. Jackson presented all arguments for Mr. Taylor at that meeting, did he not?

A. No, he presented the main argument; Mr. Taylor talked intermittently; Mr. Bayless talked; we all talked, argued back and forth.

Mr. THATCHER.—That is all.

The COURT.—You may recall Mr. Jackson, if you want to, Mr. Thatcher. [595—590]

Testimony of John G. Jackson, for Plaintiff (Recalled).

Mr. JOHN G. JACKSON, recalled, testified as follows:

Mr. THATCHER.—(Q.) Mr. Jackson, do you know when I first became acquainted with the controversies which are here before the Court?

A. I do.

Q. Will you state?

A. It was June 12th, 1919; I met you on that day in Mr. Bayless' office in San Francisco for the first time.

Q. That was after the creditors' meeting, and after all negotiations, or at least then pending negotiations, had ceased, was it not? A. It was.

Mr. THATCHER.—That is all.

Mr. WHEELER.—That is all.

Mr. THATCHER.—We are through.

Testimony closed.

(By agreement of counsel the argument of the case is continued until October 1st, 1920, at 10:00 o'clock A. M., and at 4:00 o'clock P. M. Court adjourns.)

Friday, October 1st, 1920.

Court convened, 10:00 o'clock A. M.

The COURT.—You may proceed, Mr. Thatcher, when you are ready.

Mr. THATCHER.—I would like to have from counsel the agreement of guarantee of Mr. Goodin and Mr. Friedman of the Taylor settlement on the balance of the ore-buying contract.

Mr. COOKE.—We have no objection to using a copy, if it is otherwise competent, so far as we are concerned.

Mr. THATCHER.—We would like to offer in evidence, if the Court please, an original copy of the guarantee contract from Mr. Friedman and Mr. Goodin of the amount of the obligation settled upon [596—591] in the ore-buying contract. We offer it for the purpose of rebutting the evidence of the defendants that the plaintiff was relying upon the Loring contract for this balance due Mr. Taylor, the subject of that suit.

Mr. COOKE.—That is the purpose of it.

Mr. THATCHER.—That is the purpose of it.

Mr. WHEELER.—It is objected to as irrelevant, immaterial and incompetent, not in rebuttal. It appears that Mr. Goodin was the recipient of the Loring funds under an agreement, and Mr. Goodin signs this contract.

The COURT.—It will be admitted.

Mr. WHEELER.—Exception.

Mr. COOKE.—We wish to add the further objection that there is nothing to show that Mr. Taylor knew of the execution and delivery of this instrument at the time of the receipt of the several payments.

Mr. THATCHER.—If that last objection is good, then all of the testimony should be stricken out as to any conversations between Mr. Friedman and myself or any one else, as to where the money was coming from.

(Agreement of Mr. Goodin and Mr. Friedman, dated December 15, 1919, marked Plaintiff's Exhibit No. 53.)

Mr. WHEELER.—If it is not already in evidence, we desire, in view of the document which has just gone in, to put in the contract wherein Mr. Goodin became the trustee for the creditors in this matter.

Mr. THATCHER.—I will agree it may go in subject to the objection. I think it is in.

Mr. COOKE.—If the Court please, with the consent of counsel, there was an arrangement whereby Mr. Goodin was to supply some data [597—592] as to the indebtedness of these various companies. It was sent to the Clerk, and I suppose it should be marked as an exhibit, and we ask that it be marked as one of the defendants' exhibits.

(Letter J. T. Goodin to Cooke, Wheeler & Davis, September 25th, 1920, marked Defendants' Exhibit "A-34.")

Mr. COOKE.—What about this exhibit? (Papers of New York Stock Exchange Sales.)

Mr. THATCHER.—You offered it and we stipulated it could go in, but I would like to see it, so that I can present such further testimony as I desire, to rebut it. What date is this?

Mr. DAVIS.—April 17th, 1920, and September 14th, 1920.

Mr. THATCHER.—Well, I am going to object on the ground they are too remote from the actual time of the sale of the securities to have any bear-

ing on the question, or to rebut Mr. Taylor's own testimony that he lost something over \$4,000.

The COURT.—Well, I suppose they are offered for the purpose of showing that he made money by selling before they dropped.

Mr. COOKE.—Yes.

Mr. WHEELER.—It shows if he had kept his securities until the time that he brought this suit he would have lost money; that he made a profit by selling.

Mr. THATCHER.—I think any immediate drop in and about that time would be competent testimony for the purpose of showing that he really profited by the transaction. The fact of the matter is he testifies that he lost about \$4,000; and it seems to me this is very remote for the purpose of rebutting that.

The COURT.—It may go in, but I will consider the objection. If you want to put in anything more along the same line, Mr. Thatcher, you may do so.

(Sheets of New York Stock Exchange marked Defendants' Exhibit "A-35.") [598—593]

(The case is argued by respective counsel, the argument concluded, and the case submitted at 5:10 o'clock P. M. Saturday, October 2d, 1920.) [599—594]

Plaintiff's Exhibit No. 1.

CONSOLIDATED ORES CO.

CONSOLIDATED ORES MINES CO.

David Taylor, President,

730 Symes Building.

Denver, Colorado, February 24, 1919.

R. Nenzel, Esq., Secretary,

Nevada Humboldt Tungsten Mines Co.,

Lovelock, Nevada.

Dear Sir:

In view of the present tungsten situation, I do not believe there is the remotest chance of interesting anybody in the purchase of a property at a half million dollar price. The best thing to do all around would be to close down, but I understand your present position will not allow you to do this without payment of \$170,000 debts. On your estimated production costs, you should realize a net profit of about \$55,000 from the money advanced by me on concentrates. This would leave a net balance, I figure, of about \$115,000 debts.

If I can arrange to advance this money, would you consider the sale of the stock to me on a basis of twenty-eight cents (28¢) per share, payments to be made by allotting to present owners of the stock one-half of the net profits from operation, as and when realized—enough concentrates to be first delivered to me to secure my \$100,000 loan at the market value, and then the \$120,000 to be repaid with 7% interest before any profits were counted.

[607—1]

This would, in effect, be modifying my present option to a basis of 40¢ per share instead of 50¢ per share, and instead of making regular monthly payments, which I do not believe anybody would make at the present time, would allow us to operate and pay for your stock out of the mine, if the mine is worth the money involved; and means that you would be giving me a one-half interest in the mine for liquidating your present indebtedness.

I do not know how this would work out, and whether I could do anything on this basis or not, and am merely sending this forward as a tentative suggestion.

I shall leave New York for the West Sunday morning, but a telegram Saturday will reach me at the Commodore Hotel, 42nd Street, New York.

Yours very truly,

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 1. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 2.

NEVADA HUMBOLDT TUNGSTEN MINES CO.
Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock, Nevada.

Lovelock, Nevada, February 14th, 1919.

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

Dear Sir:

We have to-day forwarded through the First National Bank of Lovelock a sight draft, attached to bill of lading. [608—2] covering the first car of concentrates shipped to our order to Murray, Utah. Not having all the assay certificates we attached thereto Watt's telegrams and which we trust will answer their purpose until the certificates can be forwarded, however, in the meantime we have wired Watts to forward to you a complete copy of all analysis on lots #1-R to 27-R, and you no doubt will have received them before the bank presents the draft for payment.

The concentrates were weighed twice by us. We weighed each individual sack as the material came from the magnetic separator, and which gave us a total weight of 100788 pounds. After having this material hauled to Mill City and stored in a warehouse, until the entire shipment was transferred from the mine to the railroad station, we then had a car stopped and again weighed the material in lots of five sacks each, which gave us

a total weight of 101007 pounds, or a difference of 381 pounds. This difference is probably due to different scales, etc., but the results are close enough to satisfy us that the weights, as shown on the bill are correct.

The reason why we have been wiring you whether or not we could handle the draft of \$40,000.00 as a cash item is due to the fact that one of the notes with the Wells Fargo Nevada National Bank fell due on the 11th inst., and our bank here advised them to charge their account with \$10,000.00 and interest and issue a renewal note for \$15,000.00, which leaves a balance due at that bank of \$40,000.00.

I might add that the conditions at the mine are exceptionally bright. On the #2 South workings we have [609—3] opened up an ore body which is over 15 feet wide, and a good grade of ore. On the #1 South we encountered a dyke sometime ago and which cut off the ore. Yesterday we drove through the dyke and relocated the ore, which is of a good grade, but as yet insufficient work has been accomplished to determine the extent of the ore body. Everything else is running along smoothly and if nothing happens we believe we will be able to ship you 100 tons by the 10th or 15th of next month.

With kind personal regards from the writer,

Yours very truly,

R. NENZEL.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Hum-

Humboldt Tungsten Mines Co. et al. Plffs. Exhibit
No. 2. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 3.

NEVADA HUMBOLDT TUNGSTEN MINES CO.
Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock, Nevada.

Lovelock, Nevada, February 24th, 1919.

The Consolidated Ores Company,
730 Symes Bldg.,
Denver, Colo.

Gentlemen:

As per my letter of recent date, I hereby wish
to give the information of the telegram I sent to
Captain Taylor at New York yesterday:

“The number one drift south is eighty-five
feet beyond Granite Dyke ore low grade stop
Drift number one sixty feet beyond Bancroft
sampling stop Number two So. tunnel sixty
feet beyond Bancroft sampling value of ore
one and one-half per cent stop Number two
north two hundred seventy-five feet from shaft
average width of vein nine [610—4] feet ore
milling one per cent stop Number two south
one hundred feet beyond Bancroft sampling
average width of vein four and one-half feet
value of ore one-half of one per cent stop
Number three north drift sixty feet from shaft
vein ten feet wide value of ore one and one-

half per cent stop Number three south fifty-five feet from shaft five feet wide one per cent ore stop Main working shaft has been advanced twenty-four feet all in good ore Contract made yesterday to sink ninety feet next thirty days Mine in much better condition than when Bancroft last sampled same."

The reason that the Main Working shaft has not been sunk any deeper is due to the fact that we let a contract a short time ago and shortly after the contractors started to work some of the men were killed, and it was several weeks before we could get anyone to work down in the mine.

The writer expects to go to Mill City some time during the latter part of this week and upon his return will write you fully regarding the physical condition of the mine and the amount of concentrates we have on hand.

Yours very truly,
R. NENZEL.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 3. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 4.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building.

Denver, Colorado, March 7, 1919.

Nevada Humboldt Tungsten Mines Co.

Lovelock, Nevada.

Dear Sirs:

The results of development work in the mine, as recently [611—5] reported, are certainly most gratifying, and if they continue as well I think there is a chance that by the beginning of April I may be able to persuade some New York people to advance the necessary money to clean up all the Company's indebtedness in return for some modified form of option. I am trying to study out such a proposition, which will prove more attractive to an investor than the present option, and which will also be an inducement to your stockholders to agree to a change. While the tentative suggestion made in my last letter from New York would be a good one from the investor's standpoint, it does not furnish any inducement for your stockholders to change the present form of option.

Will you please advise me how you stand with regard to your various creditors and what arrangements have been made in regard to a definite time extension of notes, etc.

With regards,

Yours very truly,

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 4. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 5.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building.

Denver, Colorado, March 7, 1919.

Mr. C. W. Poole,

Nevada Humboldt Tungsten Mines Co.,

Mill City, Nevada. [612—6]

Dear Mr. Poole:

Will you advise me what the present status is of the small fraction in the center of the Nevada Humboldt Tungsten Mines Company holdings, which is not held by the Company and about which you wrote me some thirty days ago.

Could you not arrange to send us by mail once a week a definite statement of work accomplished, assays, size of ore shoots, etc., so that I may keep this work plotted up on the map of development work, of which I believe Bancroft sent you a copy. In making such reports I should suggest that the nomenclature used in this map be followed.

With regards,

Yours very truly,

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 5. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 6.

NEVADA HUMBOLDT TUNGSTEN MINES CO.
Mines Located Near Mill City, Humboldt County,
Nevada,

Office, Lovelock, Nevada.

Lovelock, Nevada, March 10th, 1919.

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

Dear Sir:

We received your several communications from New York, also yours of the 7th from Denver discussing the possibilities of making some new arrangements in regard to our option, and in this connection will state that we had a meeting [613—7] of all the stockholders interested and thoroughly discussed the tentative suggestions made by you in your New York letter which, however, did not meet with any approval, owing to the fact that we did not feel that there was any actual or immediate benefit to be derived from such changes over and above our present option and agreement. Your proposition of the 7th inst. will be discussed among those interested as soon as we can get together. Of course, you have made no definite statement or proposition on what basis you would be willing to enter into a new agreement, but the writer per-

sonally feels that we could come to some agreeable understanding if the proposition is made attractive enough from our standpoint, as well as the investor's. Should you, in the near future, arrive at some definite plan, as outlined in your communication, we could come to Denver, if necessary, to talk over such proposed change, or should you personally wish to see the property before entering into any different arrangement, you could discuss this matter with us while you were here.

Referring to my telegram of the 3d inst., stating that we would have a carload of concentrates ready for shipment by the 10th of this month, will state that owing to the rainy and stormy weather which we had last week we have not been able to operate our home made roasters and it, therefore, will probably be sometime the latter part of this week before shipment is ready to leave Mill City. Owing to the crude method of construction of the roasters we have found it necessary to operate them outside in the open air, and of course, bad weather interferes with the operations, and in which case [614—8] we are obliged to close down until weather permits operation. The new furnace was shipped from Denver on the 26th of last month and no doubt it will reach us shortly and as soon as it does we will ship you a third car of concentrates, as soon as we can, should you decide to have them shipped instead of storing them at the mine or Mill City.

The main shaft has been sunk to a depth of sixty

feet since our telegram to you giving the new development work and we are glad to inform you that we have encountered some very rich ore. The ore contains so much scheelite that we are unable to handle more than forty tons per twenty-four hours in the mill, when working on ore taken from the shaft. How long this will continue we do not know, but it certainly looks very encouraging. Another encouraging feature of the new development is that the ore does not contain nearly as much sulphides as it did between the second and third levels and from the present indications it would appear as though we are penetrating an oxidized zone.

We wire you today as follows:

“We have fifteen tons concentrates at Mill City. Eight tons being hauled today. Will probably be latter part of week before carload is ready for shipment. In order to meet payroll and Sunday accounts and to apply five thousand on Wells Fargo note would appreciate if you would allow us draw sight draft for fifteen thousand immediately. Advise our expense. Letter following.”

We hated to ask you for this request as we realize that we are behind in delivering our concentrates as per contract at the present time, but in order to make the best possible grade of scheelite with the least possible amount of impurities we have had a lot of difficulties to contend with and which has delayed us, but we are in hopes that as

soon as [615—9] the new furnace is installed we will be able to furnish the balance of the contract as soon as the concentrates can be roasted.

The writer expects to leave for Chicago sometime during the later part of this month and before leaving will ascertain if you will be in Denver and if so will make arrangements to stop off and see you and discuss these various matters with you.

With kindest regards, I remain,

Yours very truly,

R. NENZEL.

[Endorsed]: No. B-7 U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 6. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 7.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building.

Denver, Colorado, March 11, 1919.

Nevada Humboldt Tungsten Mines Co.,

Lovelock,

Nevada.

Dear Sir:

Last night I received your telegram asking for an advance of \$15,000.00 before shipment of carload of ore now due, and I was sorry not to be able to immediately agree to do so.

I now understand that Mr. Frank Hess' estimate of the stock of Tungsten concentrates in the United States is 8000 tons, and since reporting to you the sale of the small lot by [616—10] us at \$10.00, we have been advised that this was bought for use in filling an old contract and that it does not therefore represent new business or suggest a revival in the market.

In writing you yesterday about a shipment of additional concentrates as security for money already advanced, I presume you understand that if we follow the procedure outlined in the contract for determining the market value, such market value would probably be placed at not over \$6.00, because I do not believe you could at present get a bona fide bid out of any domestic consumer for over this amount.

I want to make things as easy as possible for you however, as I am of course interested in furnishing as much capital as possible for development of the mine.

However, if I had known as much as I now do about the Tungsten market when I was in San Francisco, I would not have considered a \$10.00 advance, nor do I believe that you would have asked for it, and it seems to me that the only thing to do now is to work together to pull the thing through on some basis, but this basis, however, must be mutual.

When I was in San Francisco, Mr. Nenzel was going to send me a detailed statement of your creditors with the amounts due each one, and also from

time to time the amounts paid against such debts. This statement has not been received by me up to the present time.

It is possible that if I could talk the general situation over with some of you, we could arrive at some solution of the entire matter. For various reasons it is impossible for me to leave Denver at present, but possibly Mr. Murrish or some of the rest of you could come over to Denver, in which case I would [617—11] be delighted to see them, but believe if they come over with the idea of some financial rearrangement, it would be well for them to have a balance sheet of the books and a full statement showing the amount and present status of all indebtedness.

Yours very truly,

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 7. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 8.

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always open.

1919 Mar. 12 P. M. 11, 18.

A430SF 65 NL

FD Lovelock Nev 12

Capt David Taylor

730 Rymes Bldg Denver Colo

Your message and letters received Stop
Poole Freidman and Murrish out of town
Stop Will get in touch with them tomorrow
and wire you fully Stop Just returned from
mine Stop Mine never looked so good Stop
Are experiencing difficulty in roasting con-
centrates owing to sulphur fumes Stop
Assay on concentrates twenty three tons now
at Mill City sixty six percent Tungsten point
thirty seven sulphur.

R. NENZEL.

[Endorsed]: No. B-7. U. S. District Court, Dis-
trict of Nevada. David Taylor vs. Nevada Hum-
boldt Tungsten Mines Co. et al. Plffs. Exhibit
No. 8. Filed Sept. 14, 1920. T. J. Edwards, Clerk.
[618—12]

Plaintiff's Exhibit No. 9.**NEVADA HUMBOLDT TUNGSTEN
MINES CO.**

Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock, Nevada.

Lovelock, Nevada, March 21st, 1919

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

Dear Sir:

Your letter of the 17th inst. has been received and in reply will state that we have shipped ten sacks of concentrates to Mr. Thane, the exact weight of which are not in my position, but presume it amounted to over a thousand pounds or thereabouts.

We are certainly having a time in roasting sufficient concentrates in order to allow us to make a shipment. The new roaster which I wired you about was installed after experiencing a considerable amount of trouble in getting the thing to work. We have experimented with it for the past four or five days and find that it is an utter failure. The mechanical arrangement in the machine was poorly built and in many instances too light to do the work. The ravel in the furnace burnt out and we have finally taken the machine out and thrown it over the dump and are now building a furnace along the plans similar to the ones we

used in roasting the first car of concentrates, with the exception that we are making some alterations and changes in so far as using a blower and two burners instead of one, which will double the capacity and at the same time we hope it will eliminate the fumes so [619—13] that when we are roasting it will not interfere with the operation of the mill, as it has in the past when roasting the high sulphur concentrates.

The Legislature adjourned last night and Mr. Friedman was supposed to be home this morning, but he had other business in Carson City which he wanted to finish before returning, so he will not be home until Monday noon, and as soon as he returns he no doubt will take up the matter with you direct in reference to the various subjects which you have brought to our attention.

The mine is looking better than ever. We started cutting the station on the fourth level and we will drift 20 feet each way at this point and then continue the shaft on down.

The ore for the past thirty feet has been of an exceptionally high grade character.

Yours very truly,

R. NENZEL.

[Endorsed]: No. B-7. U. S. District Court District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 9. Filed Sept. 14, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 10.**WESTERN UNION TELEGRAM.**

Received at 915-919 Seventeenth Street, Denver,
Colo. Always open.

Mar 25 AM 4 30

C335SF 121 Blue

FD Lovelock Nev 1025 P 24

Capt David Taylor

730 Symes Bldg Denver Colo

Just returned from Legislation and reviewed all your correspondence Stop Conclude from your correspondence that you feel unable to [620—14] exercise your present option owing to depressed Tungsten market condition and therefore we must anticipate your possible failure to exercise your option Stop Suggest that you and Bancroft come here some time this week as all stockholders are here now and am sure you will find mine development fulfilling your most sanguine expectation and am confident that we could arrive at some modified arrangement as suggested in your correspondence but immediate action is necessary as am leaving for New York and Washington in week or ten days and would stop off at Denver but am traveling with several other parties Stop Wire answer.

L. A. FRIEDMAN.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit

No. 10. Filed Sept, 14, 1920. T. J. Edwards,
Clerk.

Plaintiff's Exhibit No. 11.

WESTERN UNION TELEGRAM.

Paid fast day message 10:15 A. M.

Denver Colorado, March 25, 1919.

Mr. L. A. Friedman Pres

Nevada Humboldt Tungsten Mines Co.

Lovelock Nevada

Bancroft out of town Impossible leave Denver
at present writing

DAVID TAYLOR.

Chg Consolidated Ores Co. 730 Symes Bldg.,
Denver.

[Endorsed]: B-7 U. S. Dist. Court, Dist. of
Nevada. Taylor vs. Nevada Humboldt Tungsten
M. Co. et al. Plffs. No. 11. Filed Sept. 14, 1920.
T. J. Edwards, Clerk. By E. O. Patterson, Dep.
[621—15]

Plaintiff's Exhibit No. 12.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building.

Denver, Colorado, March 25, 1919.

Mr. L. A. Friedman, Pres.,

Nevada Humboldt Tungsten Mines Co.,

Lovelock, Nevada.

Dear Mr. Friedman:

Your day letter of the 24th reached me duly

and I was sorry to have to wire you today that neither Bancroft nor I could come to Lovelock at present.

Bancroft has been away on an examination for ten days and will not return to Denver until April 1st. He leaves Denver about April 10th for a two-months examination, and during the ten days he is here he will be pretty busy preparing his report on the examination he is now making.

I have some negotiations on for the purchase of a chemical plant in Denver, which will probably drag along until about the 10th of April, so that I cannot leave before then.

Regarding the exercising of the option, it certainly looks pretty blue at present, though, if I could make, say, a two-year contract at \$11.00 or thereabouts for the product, it would probably be all right providing of course the mine showing continues good as at present. This, however, seems to be impossible. While in New York I found the President of one of the strongest banks quite interested in the general proposition and I believe that on some modified form of option I could induce him to go ahead when I go East again, which will be the [622—16] latter part of April.

In order to work in with Bancroft's position, I suggest that Poole come to Denver during the first week in April, bringing exact data as to development work, assays, etc., so that he and Bancroft together can work up a definite tonnage statement of present ore developed.

Could you not also arrange to come on with him for a couple of days and join your friends with whom you are going East at either Cheyenne, Julesburg or Omaha? In which case, if you will advise me I will be glad to get you pullman reservation.

Before going East it will be advisable for me to have a book balance, say, of either March 1st, or April 1st, with a list of all indebtedness and the terms of credit arranged on individual accounts, and if possible, a statement showing what income and excess profit taxes will also be payable, as this last statement will be carefully considered by any possible purchaser.

If you cannot do this, would your stockholders be willing to have Nenzel, Murrish and Poole appointed as a joint committee to represent all of them in readjusting the option, as, I believe that after several days "wrangling," we could agree on some mutually satisfactory plan.

The general basis of a readjustment which I have in mind is some basis on which cash be furnished for the liquidation of all the company's indebtedness plus my ability to acquire the stock, or 75% of it, on a basis of paying for the stock out of future earnings. I believe that the most one could count on a possible purchaser doing at present would be to furnish enough cash or guarantee to clear up all the indebtedness.

Referring to Nenzel's telegram about an inquiry from the Western Metals Company, I think under present conditions it is very unwise to quote any prices to any dealers or brokers, as we are in touch with all consumers ourselves. If you make an offer to any dealers, they will simply repeat the offer to the same people with whom we are trying to sell. I enclose herewith copy of my letter to them to-day, giving them information but stating that all offers must come from them.

With regards,

Yours very truly,

DAVID TAYLOR,

President.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co., et al. Plffs. Exhibit No. 12. Filed Sept. 14, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 13.

NEVADA HUMBOLDT TUNGSTEN MINES CO.
Mines Located Near Mill City, Humboldt County,
Nevada Office, Lovelock, Nevada.

Lovelock, Nevada, March 27th, 1919.

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

Dear Sir:

We wired you as follows this morning.

"We have fifty tons concentrates ready for ship-

ment. Will ship soon as can get car spotted. Probably Saturday. Will have another fifty ton car ready probably between fifth and tenth of April. Our new home made furnace working fine. How much money may we draw now as must meet our payrolls." [624—18]

A car was ordered to be spotted in Mill City yesterday and as soon as it is spotted the concentrates will be loaded and shipped, the same as our previous instructions, and unless some unforeseen incident should happen we expect to have a third car ready for shipment between the 5th and 10th of April, and the fourth car should be ready for shipment the 1st of May.

Owing to the consolidation of the Rochester properties now under way at Rochester, Mr. Poole, as well as his Engineering force, has been rather busy and no accurate survey of mine development has been made since Mr. Bancroft was out here. We, however, expect to have our Engineer out there within a week or so to check up the development work and no doubt you will receive a report noting the changes that have been made since Mr. Bancroft completed his work of examination.

I might add that the fourth level has been cut and in drifting north the vein is seven feet wide and in drifting south the vein is ten feet wide, all in exceptionally high grade ore. It will probably take us two or three days to put up a raise from the 350 to the 300 foot level in order to put in another pocket so we can have a larger pocket capacity

in the mine and then we will again continue the sinking of the main shaft to the 500 foot level.

The new furnace, which the writer mentioned in a previous communication that we were then installing, is working like a charm. Everything connected with it has been made so that it works almost automatically and does away with absolutely all of the fumes which so hindered our operations when using our first home made furnace and also the roaster received from the Denver Fire Clay Company. The furnace has been running constantly for [625—19] the past three or four days and is averaging a little better than six tons of clean product per twenty-four hours, and through the good fortune of making this furnace work it accounts for our being able to ship a carload of concentrates at this time and another one within ten days or two weeks time.

Yours very truly,

R. NENZEL.

[Endorsed]: No. B-7. U. S. District Court. District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 13. Filed Sept. 14, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 14.

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always Open.

1919 Mar 28 P. M., 12:10.

A186SF 13

Lovelock, Nev. 1034A 28.

Capt. David Taylor,

730 Symes Bldg., Denver, Colo.

Murrish, Poole and I leave number twenty to-
morrow morning arriving Denver Sunday noon.

R. NENZEL.

[Endorsed]: B-7. U. S. District Court, District
of Nevada. David Taylor vs. Nevada Humboldt
Tungsten Mines Co. et al. Plffs. Exhibit No. 14.
Filed Sept. 14, 1920. T. J. Edwards, Clerk. By
E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 15.

(Note: See "Report on a Preliminary Investi-
gation of the Nevada-Humboldt Tungsten Mine at
Tungsten, Humboldt County, Nevada. By Howland
Bancroft.") [626—20]

Plaintiff's Exhibit No. 16.

THIS AGREEMENT this day entered into be-
tween David Taylor, of Denver, Colorado, first
party, and L. A. Friedman, Lena J. Friedman, C.

W. Poole, John G. Huntington, R. Nenzel, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg and H. J. Murrish, second party.

WITNESSETH:

WHEREAS the parties hereto, on or about January 16, 1919, entered into an agreement in respect to the purchase and sale of certain stock of the Nevada Humboldt Mines Company, the Tungsten Products Company and the Mill City Development Company, reference to which contract is hereby made and which said contract is made a part hereof, and

WHEREAS the Nevada Humboldt Tungsten Mines Company on the same date, entered into an agreement with the said David Taylor for the advance of certain monies on scheelite concentrates, as more particularly appears in said agreement to which reference is hereby made, and

WHEREAS this agreement is supplemental to both of said agreements and all of said agreements are now to be read together and considered as one in so far as applicable, due reference being had to the changes herein made, and

WHEREAS, owing to the demoralization of the tungsten market it seems impossible for the said David Taylor to market scheelite concentrates or to interest parties in the purchase of tungsten properties, and for that reason it is deemed probable that the said Taylor will not be able to exercise his option contained in the above mentioned agreement, and

WHEREAS, by reason of the facts herein named it may become [627—21] impossible for the Nevada Humboldt Tungsten Mines Company and the other companies above referred to to secure sufficient funds for the liquidation of their indebtedness, and

WHEREAS it is the purpose of this agreement to so modify the said opinion as to enable the said Nevada Humboldt Tungsten Mines Company and its allied companies to pay its debts, continue its operation and secure itself from the jeopardy of possible loss through suits by its creditors,

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) each to the other in hand paid, it is mutually understood, covenanted and agreed as follows, to wit:

1. The first party undertakes to secure by borrowing for the Nevada Humboldt Tungsten Mines Company, and its allied companies, a sum sufficient to liquidate the indebtedness of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company, and the proportion of the indebtedness of the Mill City Development Company which the second parties owe, said indebtedness estimated to be the sum of Two Hundred and Twenty Thousand (\$220,000.00) Dollars, on or before June 16, 1919.

2. When or if the said first party shall secure the said sum sufficient to liquidate the entire indebtedness, as above provided, then and in such event the second parties promise, covenant and agree to transfer and deliver to the first party in full payment for services rendered in securing

such sum of money, 62% of the issued capital stock of the Nevada Humboldt Tungsten Mines Company, 62% of the issued capital stock of the Tungsten Products Company, and 62% of one-half of the issued capital stock of the Mill City Development Company; that a deposit of the amount necessary [628—22] to liquidate the indebtedness as herein provided, in the Wells Fargo Nevada National Bank, shall be sufficient evidence of the performance of the conditions herein for the transfer and delivery of the stock as herein provided.

IT IS MUTUALLY UNDERSTOOD AND AGREED,

A. That the said sum raised by the first party herein is a loan to the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, and not a payment for stock; and that same is to be evidenced by the issuance of redeemable preferred stock with a maximum of 7% cumulative interest, provided that said stock shall not be sold for less than 95% of par net to the Company.

B. That the second parties hereto will cause a new company to be organized to which the assets of the companies herein described shall be conveyed; or shall amend the present articles of the Nevada Humboldt Tungsten Mines Company and its allied companies hereinbefore mentioned, in order to effectuate this agreement as shall be required by the first party.

C. It is agreed that in such incorporation, or in the amendment above provided, due and proper

provision shall be made (1) that 80% of the Board of Directors must approve the sale of any of the property of the Company of the purchase of additional property; (2) that the cumulative voting power of the common stock shall not be taken away; (3) that the net receipts from any relief received from the United States Government under the War-Minerals Relief Act of the corporations herein mentioned or any of them, shall inure to the benefit of such new corporation as may be formed; (4) that profits shall be distributed whenever same have accumulated to the amount of Fifty Thousand (\$50,000.00) [629—23] Dollars or over, after the debts are paid, unless contrary provided by a vote of 80% of the Directors; (5) and further, that the preferred stock shall be redeemed out of the profits on June 30 or December 31, of every year, whenever the sum of Fifty Thousand (\$50,000.00) Dollars is accumulated and before any dividends are paid on the common stock.

D. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED that the performance of this agreement shall release the first party from any and all obligation to pay the purchase price of said stock mentioned in the option hereinbefore referred to.

E. IT IS FURTHER MUTUALLY COVENANTED AND AGREED that this agreement shall expire by limitation on June 16, 1919, and shall carry with it the option hereinbefore mentioned as executed on January 16, 1919, which shall also expire by limitation on said date, and they shall be

of no further force or effect if the first party shall not have negotiated the loan and secured the money provided in Paragraph 1 hereof.

Time is the essence of this agreement, and each and every clause hereof shall bind and benefit the heirs and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 2d day of April, 1919.

DAVID TAYLOR,
First Party.

C. W. POOLE,
R. NENZEL,
H. J. MURRISH,
L. A. FRIEDMAN,
LENA J. FRIEDMAN,
C. H. JONES, [630—24]
G. K. HINCH,
J. T. GOODIN,
V. A. TWIGG,
J. G. HUNTINGTON,
Second Parties.

By R. NENZEL,
Attorney in Fact.

By C. W. POOLE,
Attorney in Fact.

KNOW ALL MEN BY THESE PRESENTS, that I, J. G. Huntington, do hereby name, constitute and appoint C. W. Poole as my true and lawful attorney for me in my place, name and stead, to sell, contract, assign, hypothecate or otherwise dispose of or agree to dispose of all of my shares of

stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

J. G. HUNTINGTON.

Witness:

L. A. FRIEDMAN.

R. NENZEL.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, That I, L. A. Friedman, do hereby name, constitute and appoint R. Nenzel as my true and lawful Attorney for me and in my place, name and stead, to sell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of all of my shares of stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company, and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything [631—25] in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

L. A. FRIEDMAN.

Witness:

J. S. HUNTINGTON.

C. W. JONES.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, That I, Lena J. Friedman do hereby name, constitute and appoint R. Nenzel as my true and lawful Attorney for me and in my place, name and stead, to sell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of all of my shares of stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company, and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

LENA J. FRIEDMAN.

Witness:

C. W. JONES.

J. G. HUNTINGTON.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, that I, C. W. Jones, do hereby name, constitute, and appoint R. Nenzel as my true and lawful attorney for me in my place, name and stead, to sell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of all of my shares of stock in the Nevada Humboldt [632—26] Tungsten Mines Company, the Mill City Development Company,

and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

C. W. JONES.

Witness:

L. A. FRIEDMAN.

J. G. HUNTINGTON.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, that I, G. K. Hinch, do hereby name, constitute and appoint R. Nenzel as my true and lawful Attorney for me and in my place, name and stead, to sell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of, all of my shares of stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company, and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

G. K. HINCH.

Witness:

H. E. LOUFEK.

TOM P. EBERT.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, that I, J. T. Goodin, do hereby name, constitute and appoint R. Nenzel as my true and [633—27] lawful Attorney for me and in my place, name and stead, to sell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of, all of my shares of stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company, and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in relation to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

J. T. GOODIN.

Witness:

C. W. JONES.

J. G. HUNTINGTON.

(Documentary stamp.)

KNOW ALL MEN BY THESE PRESENTS, that I, V. A. TWIGG, do hereby name, constitute and appoint R. Nenzel as my true and lawful Attorney full power to do any and everything in resell, contract, assign, hypothecate, or otherwise dispose of or agree to dispose of, all of my shares of stock in the Nevada Humboldt Tungsten Mines Company, the Mill City Development Company, and the Tungsten Products Company, or in any of said companies; giving and granting unto my said Attorney full power to do any and everything in rela-

tion to said stock that I could do if personally present with full power of substitution.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March, 1919.

V. A. TWIGG.

Witness:

C. W. JONES.

J. G. HUNTINGTON.

(Documentary stamp.)

[634—28]

[Endorsed]: Agreement between David Taylor & L. A. Friedman et al. Dated April 2, 1919. Original signed. No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plff.'s Exhibit No. 16. Filed Sept. 14, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 17.

THIS AGREEMENT made and entered into this — day of June, 1919, by and between David Taylor hereinafter referred to as "Taylor"; party of the first part; Nevada Humboldt Tungsten Mines Company, Tungsten Products Company hereinafter jointly referred to as the "Companies" and separately referred to as the "Mines Company" and the Products Company, parties of the second part; L. A. Friedman, Lena J. Friedman, C. W. Poole, John. G. Huntington, R. Henzel, S. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, and H. J. Mur-

rish: stockholders of the above-named companies, parties of the third part and such creditors of the companies as shall become parties hereto as hereinafter provided, hereinafter referred to as "Creditors,"

WITNESSETH:

WHEREAS, the Mines Company and the stockholders represent that the Mines Company owns and operates a tungsten mine located on 80 acres near Mill City, in Humboldt County, Nevada—being property acquired by purchase from the Southern Pacific Company and four claims known as the Gross No. 2, Gross No. 3, White Rock and Skyhigh Lode Mining Claim—all of which are free and clear of any liens or encumbrances, and on which claims all required assessment work has been done, and

WHEREAS, the Products Company and the stockholders represent that the Products Company owns and operates a mill [635—29] for the treatment and reduction of tungsten or scheelite ores to concentrates, and

WHEREAS, all the stock of the Tungsten Products Company is owned by the Mines Company and stockholders parties hereto own 99 percent of the stock of the Mines Company, and

WHEREAS, it is desired by the Stockholders and the Companies to obtain funds to pay debts due to the creditors of the Companies, and Taylor is willing to advance such funds upon the conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and of the Undertakings and agreements

hereinafter set forth the parties hereto do jointly and severally agree as follows:

1. The stockholders agree to form a corporation hereinafter in this agreement referred to as the "New Company." This corporation shall be organized under the laws of the State of Nevada with an authorized capital stock of \$1,500,000. The name of the new company, the charter, by-laws and organization proceedings shall be submitted to and approved by Taylor in advance of execution or adoption.

2. The Companies and the Stockholders agree to cause to be conveyed to the New Company all assets of the companies including not less than half of the authorized and issued stock of the Mill City Development Company. In exchange for such conveyances the companies shall receive all stock of the new company.

3. Such conveyances shall be executed and acknowledged according to the laws of the State of Nevada by all the directors of the companies and also by such officers of each of the companies as are designated by the by-laws as the proper [636—30] officers to execute deeds, and further such conveyances shall be lawfully authorized by at least 90% of the stockholders at the Companies, and consented to by the Creditors parties hereto.

4. The companies shall then be forthwith dissolved, and distribute their assets then consisting of stock of the New Company to their stockholders so that such stockholders shall thereupon become

stockholders in the new company on a pro rata basis.

5. The new company shall have the following as officers and directors, whose tenure of office and authority shall be subject to the laws.

OFFICERS: President David Taylor, Managing Director in charge of operations; D. L. Thane, Mine Superintendent C. W. Poole and a Secretary and Treasurer to be selected by the Directors.

DIRECTORS: David Taylor, D. R. C. Brown, L. A. Friedman, C. W. Poole and a representative of the creditors to be selected by them and approved by the Directors named. It may have such other officers as the by-laws permit and the directors appoint.

6. Such organization having been lawfully perfected Taylor agrees to purchase bonds of the new company to net Eighty Five Thousand (\$85,000.00) Dollars. This sum shall be applied as follows:

(a) \$10,000 shall be set aside as working capital.

(b) All creditors to whom is due \$500.00 or less shall be paid in full.

(c) The remainder shall then be applied pro rata to the reduction of other indebtedness. Annexed hereto is a true [637—31] and correct list of all creditors of the companies and the payment of each of the debts set forth in such schedule shall be expressly assumed by the new company in consideration of the conveyance to it of the assets of the Mines Company and of the Products Company.

7. The bonds of the new company shall bear interest at the rate of 7% per annum. payable semi-

annually, and which shall be primarily payable from the security hereinafter provided for their payment. Such bonds shall be delivered to and taken by Taylor at 95% of their face value and shall be secured by a first lien on all ore now blocked out in the mine of the Mines Company near Mill City, Nevada, and by the right to use the mill and all equipment of the Mines Company and of the Products Company to take out such ore and reduce the same to concentrates. The rights hereby conferred are to be prior to the rights or claim of creditors as against ore blocked out, or the equipment, mill or machinery until payment of the bonds hereby provided for, and interest thereon shall be secured by delivery to Taylor of concentrates produced from the ore now blocked out.

The creditors agree to defer the enforcement of any claim they may have or acquire as against the mortgaged ore, the equipment necessary to operate the same and the mill and its equipment until the New Company or Taylor shall have reduced to concentrates the mortgaged ore. Commencing such reduction shall however not be unreasonably delayed after the expiration of six months from the date hereof without the consent of Taylor and of any unpaid creditors parties hereto. Such concentrates shall be sold by Taylor at the market price and the proceeds thereof applied to the payment [638—32] of the cost of mining and producing and marketing the same and the repayment of the bonds issued for \$85,000 with interest at seven

per cent. Any deficiency shall be an obligation of the new company. Instruments approved as to form by Taylor and adequately securing the rights hereby granted, or intended to be granted, shall be duly executed and delivered by the new company and by the creditors or their duly authorized representatives coincidentally with the sale of the bonds.

8. Mining operations shall proceed as soon as the new company shall have acquired title to the mill, the mine and equipment, but at the outset preference shall be given to development work as long as thereby sufficient concentrates are produced to pay the cost thereof. If such should not prove to be the case, Taylor shall have the right to require the new company to mine the ore blocked out and standing as security for bonds sold to him and interest as aforesaid until from the proceeds of the sale of concentrates said bonds shall be fully repaid with interest. It is expressly understood and agreed that a failure to fully observe the foregoing undertaking and requirement shall be sufficient authority to Taylor to take possession of the mine, mill and equipment and operate the same by taking out and reducing to concentrates the ore to be mortgaged to him as aforesaid for the purpose of providing funds for the payment of bonds.

9. When as and if the development work shall according to the certificate of an engineer to be selected by Taylor result in 20,000 tons of ore being blocked out in the mine in addition to that now blocked out, Taylor agrees to purchase ad-

ditional bonds at 95 sufficient to liquidate such of the debts set forth in schedule "A" as are then unpaid, provided, [639—33] however that Taylor shall not be required to purchase more bonds at the above basis than will net the Company \$65,000. These additional bonds shall be secured and repaid and bear interest in like manner to the first bonds.

10. At the time of making the first bond purchase the stockholders agree to cause to be issued to Taylor for his services and his agreements herein 35% of the stock in the new company, and to deposit with ——— Trustee an additional 27% of the stock of the new company in escrow. When and as soon as either all creditors specified in Exhibit "A," hereto annexed shall have been paid in full the amount of their claims including interest, if any, or when Taylor shall have taken up bonds to net the Company the full sum of \$140,000, if so much be required, the certificate representing 27% of the stock of the new company held by ———, as Trustee shall be transferred to Taylor or upon his order. Cancelled check vouchers or receipts shall be sufficient evidence to the Trustee that the accounts have been paid and discharged, and either such checks or such receipts shall be deposited by the new company with the Trustee as fast as the same comes into the possession of the new company; likewise Taylor's cancelled check vouchers to the order of the new Company aggregating \$140,000 shall be sufficient evidence to the Trustee that Tay-

lor has purchased bonds of the new company, as herein provided, and he shall thereupon in either of such events deliver to Taylor the stock held by him in escrow. So long as he shall hold shares hereunder the Trustee shall vote the shares held by him to continue the terms of this agreement.

11. Each and all of the creditors hereby jointly and [640—34] severally agree not to take or commence any proceeding against the new company, which will in any way interfere with, or embarrass Taylor in the collection by him of his advances to the company through the mining by him of ore mortgaged to him and reducing the same in the mill.

12. Nothing herein contained shall be held or construed as preventing the directors of the new company from discontinuing mining operations if the price of sheelite or tungsten, or strikes or accidents shall render that course advisable in their judgment, provided, however, that cessation by the company from mining or milling shall not prevent Taylor from operating the mine and mill for the purpose of reducing to concentrates or mortgage to him.

13. The new company, as soon as it is organized, shall adopt this agreement in all its parts and in consideration of the advances to be made to it agree to be bound by the terms hereof as though an original party hereto.

14. It is understood and agreed and the new company shall expressly covenant to apply the

funds received from Taylor, as well as any net earnings to the reduction of the indebtedness to be assumed by the new company and set forth in Schedule "A."

15. It is further agreed that the sale of all concentrates shall be effected through Taylor, who is hereby appointed selling agent for that purpose, and until all the terms of this agreement shall be completely fulfilled.

16. It is understood that the undertaking by Taylor to purchase bonds includes the right to associate others with him and raise money as may seem to him best, the substance of his undertaking being that he hereby guarantees that said bonds [641—35] shall be purchased upon the conditions herein set forth, and that it is for such services and for such guarantee that Taylor is to receive in all 62% of the stock of the New Company.

17. All prior understandings or agreements are merged in this contract which shall express the full agreement and understanding of the parties hereto, and which shall bind and insure to the benefit of the parties and their heirs, successors, legal representatives and assigns.

IN WITNESS WHEREOF, the parties hereto, the day and year first above written, have set their respective hands and seals, or caused these presents

to be duly executed by their proper officers thereunto duly authorized.

_____, L. S.
NEVADA HUMBOLDT TUNGSTEN
MINES CO.

By _____,
President.

Attest: _____,
Secretary.

TUNGSTEN PRODUCTS COMPANY.

_____,
President.

Attest: _____,
Secretary.

_____,
_____,
_____.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Humb. Tungsten M. Co., et al. Copy Agreement. Taylor & Nev. Hum. Tung. Co. and others. Plffs. Ex. No. 17. Filed Sept. 15th, 1920. T. J. Edwards, Clerk.
[642—36]

Plaintiff's Exhibit No. 18.

MEMORANDUM OF AGREEMENT Between
David Taylor, B. L. Thane and Howland Bancroft.

WHEREAS, David Taylor has this day succeeded in signing an agreement to option the prop-

erty of the Nevada Humboldt Tungsten Mines Company and affiliated corporations, copy of which option forms a part of this Agreement,

NOW, THEREFORE, it is mutually understood and agreed by and between the parties hereto that David Taylor undertakes to use his best endeavors to carry out the terms of this option and make a sale of this property, and in the event he is successful in financing the option or making a deal the proportionate interests in and to any of the profits made from the property or from a sale of the property, or from otherwise exercising his option on the property, shall be divided among the parties to this agreement on the following basis, to wit:

To David Taylor,	Sixty (60%) per cent
To B. L. Thane,	Twenty (20%) per cent.
To Howland Bancroft,	Twenty (20%) per cent.

WITNESS our hands and seals this 16th day of January, 1919.

DAVID TAYLOR. (Seal.)

B. L. THANE. (Seal.)

HOWLAND BANCROFT. (Seal.)

Witnesses:

E. E. PABST.

ROBT. C. HURLEY.

[Endorsed]: No. B-7. U. S. Dist. Court. Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Agreement. Taylor, Thane and Bancroft. Jan'y. 16-19. Plffs. Ex. No. 18. Filed September 16, 1920. T. J. Edwards, Clerk. [643—37]

Plaintiff's Exhibit No. 19.**HOWLAND BANCROFT.**

Consulting Mining Geologist.

Suite 730 Symes Building, Denver, Colorado.

June 2, 1919.

Mr. David Taylor,
Palace Hotel,
San Francisco, California.

Dear Sir:

Supplementary Report, Nevada Humboldt
Tungsten Mine.

The following telegram was sent you last evening,—

“Final assays received today Stop Results of sampling show that the total developed, partially developed and indicated ore of a commercial grade in the Nevada Humboldt Mine as at May twenty-fourth this year is eighteen thousand four hundred and seventy-seven tons Stop The average grade of this tonnage as indicated by assay returns from detailed sampling is one point sixty four tungsten trioxide Stop The above summary may be attached to and form a supplementary part of my preliminary report on this property dated February fifteenth nineteen nineteen.

HOWLAND BANCROFT.”

TONNAGE AND VALUE OF INDICATED ORE: (Developed and partially Developed.) This ore, therefore, contains 303.0228 tons WO₃, of which 80% is recoverable, or 242.4182 tons WO₃, which equals 24,241.8 units WO₃. The total cost of mining and milling this tonnage at \$5.00 per per ton will be \$92,385. Consequently the value of this indicated tonnage is as follows:

Market Price per Unit	Gross Value of Indicated Ore	Net Value of Indicated Ore
\$ 6.00	\$145,450	\$ 53,065
7.00	169,692	77,307
8.00	193,934	101,549
9.00	218,176	125,791
10.00	242,418	150,033

[644—38]

PROPOSED DEVELOPMENTS: Only 24% of the development work proposed last January had been accomplished up to May 24th, of this year. A continuation of the following workings is recommended in view of the commercial ore occurrences as indicated on the assay plan, Plate 5A.

1st. The winze, below tunnel OA, (Tunnel number 2) should be sunk at least 120 feet.

2d. Level Number 1 should be extended Northeast to a point below the winze from tunnel OA. (Tunnel Number 2.)

3d. Level No. 3 should be continued to the Southwest as long as commercial ore is developed by this working.

4th. Level Number 4 should be driven to the Northeast and Southwest until the drifts are in non-commercial ore.

5th. If commercial ore is proved to exist below the last sample cut in the shaft, the shaft sinking should continue. Sampling the shaft 90 feet below level Number 4, the then bottom of the working demonstrated the same to be non-commercial below level Number 4.

GENERAL: It is again recommended that the Company Books be audited to check the actual costs of operation covering mining, milling and general expense against the cost figures submitted last January.

Respectfully,

HOWLAND BANCROFT.

CC. to B. L. Thane

HBH.

(Note: Plate No. 5-A accompanies this supplemental report.)

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Humb. Tungsten Co. et al. Bancroft's Supp. Report. Plffs. Ex. No. 19. Filed Sept. 16, 1920. T. J. Edwards, Clerk. [645—39]

Plaintiff's Exhibit No. 20.

(Note: See Howland Bancroft's Map re Supplementary Report.)

Plaintiff's Exhibit No. 21.

**POSTAL TELEGRAPH—COMMERCIAL
CABLES.**

Clarence H. Mackay, President.

TELEGRAM

Received at the Biltmore New York City
49 NY GL 552P 37

Denver Colo May 22

B. L. Thane Biltmore Hotel NYC

Please wire just how much preferred stock I can definitely count on your taking also if you plan to come West soon Stop If Bancrofts report favorable I can raise at least one hundred thousand dollars here.

DAVID TAYLOR.

[Endorsed]: No: B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to Thane, May 22. Plffs. Ex. No. 21. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 22.**WESTERN UNION TELEGRAM.**

Washington, D. C., May 23, 1919.

To David Taylor,

Street and No.—Symes Building.

Place—Denver, Colo.

Unexpectedly compelled to come to Washington to lay plans to protect our Magnesite industry which is in jeopardy on account of recent ruling of War Trade Board. Have been here for week. Expect to return to New York Sunday or Monday. Hope to leave [646—40] for West not later than end of week stop. Have worked with Poole in connection with the filing of his claim. He is making excellent progress. Will not have decision from my friends in New York before Monday stop. Have suggested to Poole he should be agreeable modify amount and time of payment under your option so that you would have more time to carry it through. If necessary to you am sure he will agree to this and recommend it to his associates. This will be helpful to you and to me because this new work will prevent me from getting back to the Coast in time to make any financial arrangements with my friends there by the first of the month. If I do not succeed in raising extra money in New York advise Bancroft my movements.

B. L. THANE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. David Taylor vs. Nev. Hum. Tung. M. Co. et al. Thane to Taylor, May 23d, 19. Plffs. Ex. No. 22. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 23.

WESTERN UNION TELEGRAM.

Received at Lovelock, Nev.

26SF W 59 Blue

Denver Colo 1232 P May 23-19

Nevada Humboldt Tungsten Mines Co

Lovelock Nev

Bancrofts estimate satisfactory Stop Have you made arrangements have bills San Francisco promptly Stop Have auditors wire us approximate indebtedness excluding amount due consolidated ores or me personally Stop Has Bayless completed examination title Stop Our lawyer Jackson due Lovelock Wednesday night or San Francisco Thursday night would Murrish prefer have him stop [647—41] Lovelock on way out or meet him San Francisco.

DAVID TAYLOR,
1259P

[Endorsed]: No. B.-7, U. S. Dist. Court of Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to Nev. H. T. M. Co. May 23/19. Plff's Ex. No. 23. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 24.

WESTERN UNION TELEGRAM.
RECEIVED AT DB13NYOB 12 Q NEWYORK
11A MAY 7

L. A. Friedman,

Hotel Lasalle, Chgo.

Think money assured hope have funds San Francisco ten days to complete deal.

DAVID TAYLOR,
1050A.

[Endorsed]: No. B-7. W. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to Friedman, May 7. Plffs. Ex. 24. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 25.

WESTERN UNION TELEGRAM.
Received at Commercial Nat'l Bank Bldg., 14th &
G. Sts., N. W. Washington, D. C.
A33NY 226 NL 70

BI New York, NY., May 28.

1919 May 29, AM., 3 06

C. W. Poole,

The New Willard Hotel Washington, DC.

Wire from Taylor advises he has arranged for one hundred twenty [648—42] five thousand and is very much concerned because I do not wire him twenty five thousand immediately stop It is impossible for me to arrange for this amount of money

without actually being in San Francisco as I had made no preparation for this when leaving for New York and as you know had no expectation at that time of having to take up this additional work in Washington which delayed my return to the coast it is for this reason I asked you to arrange with your associates for an extension of time on the balance of twenty five thousand until I get to the coast in case this eastern group with whom I have been negotiating decided to not take up this minority interest stop I advised Taylor accordingly but he feels your associates would not be willing to grant this extension particularly Murrish stop If Taylor makes a payment of one hundred twenty five thousand certainly cannot see why an extension of thirty days at the most on the twenty five thousand would not be agreeable stop Will you please advise me immediately whether or not you can arrange this with your associates so Taylor can go on and make his payment also please arrange so Taylor is advised definitely one way or other.

B. L. THANE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Thane to Poole. May 29/19. Plffs. Ex. No. 25. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 26.**WESTERN UNION TELEGRAM.**

Received at 915-919 Seventeenth Street, Denver,
Colo. Always Open.

1919 May 26 PM 12 25

B 106A 103 1/75

WA Washington, DC., 1237P 26 [649-43]
David Taylor,

Symes Bldg., Denver, Colo.

Thane left for New York last night has not yet raised money for his part but expects to get it in New York to-day if fails there is certain to get it when he returns west think you and our people can arrange whatever time necessary to enable him to get money in Frisco will leave here as soon as Lovelock sends data necessary for questionnaire Lorings man is here and am working with him stop Advise your wire Lovelock to hurry data with Lorings aid hope to be able to arrange for final hearing in Reno believe our case best of all fungsten claims.

C. W. POOLE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Poole to Taylor. May 26/19. Plffs. Ex. No. 26. Filed Sept. 17, 1920. T. J. Edwards.

Plaintiff's Exhibit No. 27.

	Pd	Owng
May 16 T J & B Legal	1000.00	
June 6 Wm. Bayless 400.00	400.00	675.00
(Additional 600.00 & expenses service at mine & SF)		
Apr 25/5/23. DT Trav Ex D-L-NY.	653.14	
5/30/6/10. DT DL & SF E D- ...	541.82	
July 3. Jackson TJB&M	1500.00	
June 19. H B-2nd exam. expense	297.06	
Fee approx	1000.00	
(Total 2350.00 division later)		
July 11. Water assays 2nd ex	206.00	
Maps	15.00	
Telegrams		
Jackson Ex	500.00	
[650—44]		

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor's Account. Plffs. Ex. No. 27. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 28.**POSTAL TELEGRAPH—COMMERCIAL CABLES**

Clarence H. Mackay, President
TELEGRAM.

5roks 94 NL. 92oqam 10

Reno, Nev. Aug. 10

W. J. LORING
SANFRANCISCO

Rec'd. Aug. 11, 1919.

1693 Aug. 10, '19.

Ans'd ———

W. J. Loring,

Crocker Bldg Sanfrancisco.

Reno newspaper reports dispatch from Imlay stating you have bought Friedman tungsten interests in Millecity district would appreciate your wiring early monday as to what of any Nevada Humboldt interests you have bought. The companies and stockholders owe me considerable money and my attorneys consider I have good case for compelling present stockholders assign to me control of stock of both companies or as alternative heavy damages. My actions will largely depend on what if any interest you may have as I don't want involve you in this mess wire care George Thatcher Reno.

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist Nevada. David Taylor vs. Nev. Hum. T. M. Co.

et al. Taylor to Loring. Aug. 10, 19. Plffs. Ex.
No. 28. Filed Sept. 17, 1920. T. J. Edwards,
Clerk.

Plaintiff's Exhibit No. 29.

WESTERN UNION TELEGRAM.

Received at 127 N. Center St., Reno Nev. Always
Open.

1919 Aug. 11 PM 1 05

Ai09 SF 7

MT San Francisco, Calif., 1253 P 11

[651—45]

David Taylor,

Bare Geo. Thatcher, Reno, Nev.

I hold option on Nevada Humboldt interests

W. J. LORING.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist.
Nevada. David Taylor vs. Nev. Hum. T. M. Co.
et al. Loring to Taylor, Aug. 11/19. Plffs. Ex.
No. 29. Filed Sept. 17, 1920. T. J. Edwards,
Clerk.

Plaintiff's Exhibit No. 30.

MEMORANDUM OF AGREEMENT Between
David Taylor, B. L. Thane and Howland Ban-
croft.

WHEREAS, David Taylor has this day succeeded
in signing an agreement to option the property of
the Nevada Humboldt Tungsten Mines Company

and affiliated corporations, copy of which option forms a part of this agreement.

NOW, THEREFORE, it is mutually understood and agreed by and between the parties hereto that David Taylor undertakes to use his best endeavors to carry out the terms of this option and make a sale of this property, and in the event he is successful in financing the option or making a deal the proportionate interest in and to any of the profits made from the property or from a sale of the property, or from otherwise exercising his option on the property, shall be divided among the parties to this agreement on the following basis, to wit:

To David Taylor, sixty (60%) per cent.

To B. L. Thane, Twenty (20%) per cent.

To Howland Bancroft, Twenty (20%) per cent.

WITNESS our hands and seals this 16th day of January, 1919. [652—46]

DAVID TAYLOR. (Seal)

B. L. THANE. (Seal)

HOWLAND BANCROFT. (Seal)

Witnesses:

G. E. PABST.

ROBT. C. HURLEY.

Sept. 11, 1920.

I hereby release to David Taylor all claims and rights that I have under the foregoing contract, consideration ten (\$10.00) acknowledged.

B. L. THANE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs Nev. Hum. T. M. Co.

et al. Agreement—Taylor, Thane and Bancroft.
Plffs. Ex. No. 30. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 31.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building,

Denver, Colo.

Reno, Nevada, Aug. 10, 1919.

W. J. Loring, Esq.,

San Francisco, Cal.

Dear Mr. Loring:

You were probably surprised to receive my telegram. The telegram, however, was occasioned by an article appearing *the* the Reno Gazette last evening, a clipping of which, I enclose herewith. I have since been informed that the article not authentic, but in view of our talk in New York, when I had the pleasure of breakfasting with you, in all fairness, I thought it proper to advise you of the situation. [653—47]

I am leaving to-night for Denver and am then going to take a short fishing trip near Aspen, Colorado, and hope to come back to find tungsten \$25.00 per unit and going strong.

Faithfully yours,

(S.) DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co.

et al. Taylor to Loring. Aug. 10/19. Plffs. Ex. No. 31. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 32.

CONSOLIDATED ORES CO.

David Taylor, President.

730 Symes Building.

Denver, Colorado, April 17, 1919.

Crucible Steel Co. of America,

Pittsburgh, Pa.

Dear sirs:

I am interested in a company owning a scheelite property in Nevada. The ground was bought from the Southern Pacific Railroad Company and has been fully paid for. There is a 120-ton daily capacity mill, fully equipped with concentrating machinery, roaster and magnetic separators, which has been running satisfactorily and economically for the past three months.

You are of course familiar with the cost of producing tungsten in the United States, and, I believe, will agree with me that no large amount of domestic ores can be delivered at New York for less than \$10.00 per unit. On the other hand, we can lay down concentrates from this property in New York and make a profit at \$5.00 per unit WO_3 , having in fact done so even under present high cost of labor, freight and supplies. [654—48]

The company has had to borrow money in order to construct this mill and to operate during the past

few months. It is necessary for us to raise about \$200,000.00 in order to pay off the indebtedness. Of this amount I have personally advanced \$80,000.00, which is secured by 150 tons of concentrates, 50 tons in a Harrisburg Warehouse; 50 tons now being sampled at Salt Lake City; and 50 tons being shipped from the mine within the next few days.

The property has been examined by Howland Bancroft, Mining Geologist of Denver, one of the best and most conservative judges of a mine in this country. He has pronounced it a good commercial proposition even at a price of \$6.93 per unit WO₃ delivered in the East, which is the average of the price of tungsten for the years 1904 to 1913 inclusive.

At the time of Mr. Bancroft's examination the end of January, he recommended a plan for development which we have been following out. This plan, when completed, is expected to show about 125,000 tons of ore containing 1.4% recoverable WO₃ within arbitrary limits of 380 feet southwest and 250 feet northeast from the main shaft, and additional depth of 360 feet. So far, the shaft has been sunk 180 feet below the depth at the time of Bancroft's examination and one of the upper levels extended on each side beyond Mr. Bancroft's arbitrary side limits. The result is now an assured minimum of 43,000 tons of ore, part of which is developed on three sides and part on two sides. This is equivalent to 850 tons of 70% concentrates, or 60,200 units WO₃.

The above work is all done on one vein, and we have another parallel vein with good tungsten showings on the surface [655—49] which has not yet been even prospected at depth. Altogether there is a very good chance of our having at least 200,000 tons of ore to put through the mill.

From the standpoint of mining investment, the proposition is thoroughly sound and will bear a most rigid investigation.

Believing that you would like to be assured ahead of a supply of your ore requirements, I should like to know if your company would advance \$125,000.00 as payment on account of concentrates to be delivered at the rate of 25 tons per month.

To provide for the repayment, we could agree upon a definite total price per unit which you would pay for the concentrates, for instance, \$9.00. You would pay us for all concentrates delivered at \$5.00 per unit and credit \$4.00 per unit against the \$125,000.00 advanced by you with interest, until the full amount was repaid.

The material now in the Warehouse averages 71% WO_3 ; .5% sulphur; .02% phosphorus; .02% copper; and no tin. The future concentrates will be lower in sulphur as the roaster is now operating smoothly.

The purpose of this letter is merely to ascertain if you would be interested in such a general proposition, understanding of course, that the details would have to be worked out to our mutual satisfaction. We have several other plans on foot for financing which may or may not work out, there-

fore, without further discussion, this is not to be considered a firm offer on my part.

Yours very truly,

President. [656—50]

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to Crucible Steel Co. April 17/19. Plffs. Ex. No. 32. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 33.

CONSOLIDATED ORES CO.

David Taylor, President,

730 Symes Building,

Denver, Colorado, April 17, 1919.

Mr. Roy C. McKenna,

Vanadium-Alloys Steel Co.,

Latrobe, Pa.

Dear sir:

I am interested in a company owning a scheelite property in Nevada. The ground was bought from the Southern Pacific Railroad Company and has been fully paid for. There is a 120-ton daily capacity mill, fully equipped with concentrating machinery, roaster and magnetic separators, which has been running satisfactorily for the past three months.

You are of course familiar with the cost of producing tungsten in the United States, and, I believe, will agree with me that no large amount of

domestic ores can be delivered at New York for less than \$1,000 per unit. On the other hand, we can lay down concentrates from this property in New York and make a profit at \$5.00 per unit WO_3 , having in fact done so even under present high cost of labor, freight and supplies.

The company has had to borrow money in order to construct this mill and to operate during the past few months. It [657—51] is necessary for us to raise promptly about \$200,000.00 in order to pay off the indebtedness. Of this amount I have personally advanced \$80,000.00, which is secured by 150 tons of concentrates, 50 tons in a Harrisburg Warehouse; 50 tons now being sampled at Salt Lake City; and 50 tons being shipped from the mine within the next few days.

The property has been examined by Howland Bancroft, Mining Geologist of Denver, one of the best and most conservative judges of a mine in this country. He has pronounced it a good commercial proposition even at a price of \$6.93 per unit WO_3 delivered in the East, which is the average of the price of tungsten for the years 1904 to 1913 inclusive.

At the time of Mr. Bancroft's examination the end of January, he recommended a plan for development which we have been following out. This plan, when completed, is expected to show about 125,000 tons of ore containing 1.4% recoverable WO_3 within arbitrary limits of 380 feet southwest and 250 feet northeast from the main shaft, and additional depth of 360 feet. So far, the shaft has

been sunk 180 feet below the depth at the time of Bancroft's examination and one of the upper levels extended on each side beyond Mr. Bancroft's arbitrary side limits. The result is now an assured minimum of 43,000 tons of ore, part of which is developed on three sides and part on two sides. This is equivalent to 860 tons of 70% concentrates, or 60,200 units WO_3 .

The above work is all done on one vein, and we have another parallel vein with good tungsten showings on the surface which has not yet been even prospected at depth. Altogether there is a very good chance of our having at least 200,000 tons of ore to put through the mill. [658—52]

From the standpoint of mining investment, the proposition is thoroughly sound and will bear a most rigid investigation.

Believing that you would like to be assured ahead of a supply of your ore requirements, I should like to know if your Company would advance \$125,000.00 as payment on account of concentrates to be delivered at the rate of 25 tons per month.

To provide for the repayment, we could agree upon a definite total price per unit which you would pay for the concentrates, for instance \$9.00. You would pay us for all concentrates delivered at \$5.00 per unit and credit \$4.00 per unit against the \$125,000.00 advanced by you with interest, until the full amount was repaid.

The material now in the Warehouse averages 71% WO_3 ; .5% sulphur; .02% phosphorus; .02% copper; and no tin. The future concentrates will

be lower in sulphur as the roaster is now operating smoothly.

The purpose of this letter is merely to ascertain if you would be interested in such a general proposition, understanding of course that the details would have to be worked out to our mutual satisfaction. We have several other plans on foot for financing which may or may not work out, therefore, without further discussion, this is not to be considered a firm offer on my part.

Yours very truly,

President.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to McKenna, April 17/19. Plffs. Ex. No. 33. Filed Sept. 17, 1920. T. J. Edwards, Clerk. [659—53]

Plaintiff's Exhibit No. 34.

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always open.

1919 Jan 22 AM 6 49

46SF 125 NL 1/70

A

Tungsten Nev Jan 21

David Taylor

730 Symes Bldg. Denver Colo

Will make every endeavor to reduce sulphur contents and assure you can be done although will

probably take longer than tenth February do to crudeness of our apparatus Stop Development as outlined by Bancroft will necessitate roaster as practically all development will be in sulphide zone Stop Agree with his plan of development Stop Bancroft is wiring Brunton requesting him investigate roaster made in Denver if satisfactory will purchase and install at once Stop This will make it possible to give low sulphur contents greater shipment at a low cost Stop Suggest you offer our scheelite Hudson Reduction Company who may accept without penalty for high sulphur contents thus save time and expense on this first shipment Stop All agree with your arrangement with Lipman.

C. W. POOLE.

[Endorsed]: No. B-7. U. S. Dist Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Poole to Taylor, Jan'y 22/19. Plffs. Ex. No. 34. Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 35.

NEVADA HUMBOLDT TUNGSTEN MINES
CO.

Mines Located Near Mill City, Humboldt County,
Nevada. Office, Lovelock, Nevada.

Lovelock, Nevada, April 9th, 1919.

[660—54]

Captain David Taylor,
730 Symes Bldg.,
Denver, Colo.

Dear Captain Taylor:

Upon returning home, I found a lot of work

piled up pertaining to the new consolidation at Rochester, and which has taken my entire time until to-day.

I, however, am preparing copies of contract, by-laws, Articles of Incorporation, etc., and will have them go forward sometime this week, possibly I might be able to get the biggest portion off on the 10th.

As per my wire of the other day referring to Lot #36 containing 2.06 sulphur contents will state that this was probably due to the fact of the superintendent at the mine crowding the roaster above its capacity, which we are sorry has happened. We however, hope that you will be able to sell the entire 100 tons which now has been shipped to your client, and that it will not be necessary to go to the expense of having this lot returned and re-roasted. You, however, use your judgment, and if you feel that the sulphur contents of this lot will interfere with the sale of the product, kindly have same returned to us and we will re-roast this lot number and include same in other car to be shipped later on.

Mr. Poole left for Tungsten to-day and probably will be there for a day or two and when he returns he no doubt will write you fully regarding conditions.

Referring to my telegram of the 5th instant stating that we had an offer of \$9.00 per unit from some Pittsburg people will state that the offer was made us by Mr. Manson, president [661—55] of the Western Ore Purchasing Company at Reno, Nev-

ada. This offer was made by Mr. Manson to Mr. Friedman during the time we were in Denver, but that he preferred we should make him an offer to sell 100 tons of our product at \$9.00 per unit to be delivered within ten days. After conferring with you as to your wishes, we asked Mr. Manson to divulge the name of his client if consistent with his views. He, however, stated that he preferred not to do this, and we wired you accordingly—whether or not this was a bona fide offer or whether it was merely a feeler to ascertain our willingness to dispose of scheelite at \$9.00 per unit, we do not know.

We are in hopes and trust that the market is really picking up and that consumers are now offering \$9.00 for high grade material, and if this is true we feel that the situation has improved and that it really looks encouraging.

Everything else is going along nicely with us, and I trust this communication finds the same with you. Kind personal regards from the writer.

Yours very truly,

R. NENZEL.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. 4 Letters: Murrish to Pettigrew, Nenzel to Pettigrew, Friedman to Taylor, Nenzel to Taylor. Plffs. Ex. No. 35, for Identification. Filed Sept 17, 1920. T. J. Edwards, Clerk. Admitted, after withdrawing first 3 letters above named. Sept. 20th.

Plaintiff's Exhibit No. 36.

(Note: Introduced for identification and later withdrawn.) [662—56]

Plaintiff's Exhibit No. 37.

August 22, 1919.

Nevada Humboldt Tungsten Mines Co., L. A. Friedman, Lena J. Friedman, C. W. Poole, John G. Huntington, R. Nenzel, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg and H. J. Murrish, as stockholders of the Nevada Humboldt Tungsten Mines Company, a corporation, and to the Board of Directors of said Nevada Humboldt Tungsten Mines Company:

You are hereby notified that David Taylor, a stockholder of the Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, does hereby protest against the directors or stockholders of said corporation entering into an agreement of purchase and sale of all of the property and assets of the Company, and ratifying any documents executed in connection therewith, and does hereby protest against the holding of a meeting of stockholders of said corporation on August 23d, 1919, for the purpose aforesaid, and does hereby object to the stockholders of said corporation ratifying the action of the directors of said corporation in entering into any agreement of purchase and sale of all of the property and assets of the Nevada Humboldt Tungsten Mines Company,

and ratifying any documents executed in connection therewith. The said David Taylor, as a stockholder, objects and protests against the said action on the grounds that the same is unwarranted and is the exercise of powers not granted to the directors of the corporation or to its stockholders, and upon the further ground that said meeting, which is called for the 23d day of August, 1919, is called without authority of law and is not, and will not be, held in accordance with the laws of the [663—57] State of Nevada and the Articles of Incorporation and By-laws of said corporation, the Nevada Humboldt Tungsten Mines Company, and is beyond the authority of the directors or of the stockholders under the laws of the State of Nevada, the Articles of Incorporation and By-laws of the Nevada Humboldt Tungsten Mines Company, and objects upon the further ground to the stockholders ratifying at said meeting the action of the directors of said corporation in entering into any agreement of purchase and sale of all of the property and assets of the Company and ratifying any documents executed in connection therewith, for the reason that no proper, sufficient or adequate notice has been given to the stockholders of said meeting of stockholders so to be held on the 23d day of August, 1919, in accordance with the requirements of the laws of the State of Nevada, and Articles of Incorporation and By-laws of the corporation.

Yours very truly,

DAVID TAYLOR,

By _____,

His Attorney and Proxy.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 37. Filed Sept 17, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Plaintiff's Exhibit No. 38.

To the Nevada Humboldt Tungsten Mines Company, a Corporation, and to L. A. Friedman, R. Nenzel, H. J. Murrish, C. H. Jones and C. W. Poole, the Board of Directors of said Nevada Humboldt Tungsten Mines Company:

The undersigned, a stockholder of the Nevada Humboldt Tungsten Mines Company, hereby demands that the Nevada Humboldt [664—58] Tungsten Mines Company and its Board of Directors immediately commence an action in the proper courts, or take such other steps as may be necessary, to set aside and to have declared null and void all conveyances, deeds and assignments, and bills of sale conveying all of the assets of said corporation to W. J. Loring; said conveyances having been executed pursuant to a contract dated on the 16th day of August, 1919, by and between the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, parties of the first part, and W. J. Loring, party of the second part; said conveyances having been made to said Loring pursuant to said contract, all of said contracts and said actions more fully appearing in the minutes of a special meeting of Directors held at Lovelock,

Nevada, on August 16, 1919, and the minutes of a special meeting of stockholders held on August 23, 1919, at 2:00 o'clock P. M. at Lovelock, Nevada.

Said demand is made upon the grounds that said contract and the deeds and conveyances made pursuant thereto were made by said corporation and its said officers without authority; that the meeting of stockholders held on the 23d day of August, 1919, was held without giving proper notice thereof in accordance with the laws of the State of Nevada, and the By-laws and Articles of Incorporation of said Nevada Humboldt Tungsten Mines Company, and that notice thereof was insufficient to appraise the stockholders of the objects and purposes of said meeting.

The undersigned further demands that the Board of Directors commence such action or suit or take such other steps as may be necessary to set aside, and to have declared null and void, the action of the Board of Directors of the Nevada Humboldt Tungsten [665—59] Mines Company, taken at its special meeting of said Board of Directors held on the 16th day of August, 1919, wherein and whereby the President and Secretary were authorized to execute the contract of August 16th, all of which more fully appears in the minutes of said meeting now in the hands of the Secretary of said Company, and to set aside said contract made by said officers pursuant to the resolution and authority of said meeting of said Board of Directors.

Dated: this 26th day of September, 1919.

Yours truly,

DAVID TAYLOR.

By GEO. B. THATCHER,

His Attorney in Fact.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 38. Filed Sept. 17, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 39.

To L. A. Friedman, J. T. Goodin, C. H. Jones, H. J. Murrish, R. Nenzel, Gertrude K. Olfers, V. A. Twigg, Frank Carlstrom, C. W. Poole and Lena Friedman:

The undersigned, a stockholder of the Nevada Humboldt Tungsten Mines Company, a corporation under the laws of Nevada, does hereby demand that you, as stockholders, immediately meet and set aside and rescind the action whereby you purported to authorize the sale of all of the assets of the said corporation to W. J. Loring; said action having been taken at an alleged meeting of stockholders on August 23, 1919, at 2:00 o'clock, P. M., all of which is evidenced by the minutes of said meeting in the hands of your secretary, R. Nenzel; and that you set [666—60] aside all action that you took at the said meeting; and that, if necessary, you commence such appropriate suit or action as may be

necessary to set aside all actions which you took at said meeting.

This demand is made upon the grounds that no adequate or proper notice of the objects and purposes of the said meeting was given to the stockholders, and that notice thereof of said meeting was not given as required by the laws of the State of Nevada, the Articles of Incorporation or By-laws of said Nevada Humboldt Tungsten Mines Company.

Dated: this 26th day of September, 1919.

Yours truly,

DAVID TAYLOR,

By Geo. B. Thatcher,

His Attorney in Fact.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Plffs. Exhibit No. 39. Filed Sept. 17-1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Plaintiff's Exhibit No. 40.

(Note: See next page, page 854, for Exhibit No. 40.)

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. David Taylor vs. Nev. Humb. T. M. Co. et al. Stocks & Bonds purchased and sold by Taylor. Plffs. Ex. No. 40. Filed Sept. 20, 1920. T. J. Edwards, Clerk. [667—61]

Date Sold. 1919	Loss.	Profit	Date Bought	BONDS. Net Cost	Net Sale Price.	Par.	Quantity.	Description.
May 16	\$551.25		May 21, 1916	\$4370.00	\$4318.75	\$1000	5	Bonds and Notes.
16		78.13	June 9, 17	4900.00	4978.13	1000	5	Union Pacific 1st Mortgage.
16	337.75		June 11, 17	4991.25	4653.50	1000	5	American Foreign Securities.
16		62.50	July 14, 17	4106.25	4168.75	1000	5	Detroit Edison 5's.
16		157.50	Jan. 15, 18	4817.50	4975.00	1000	5	Southern Pacific Convertible 4's.
21	44.43		Apr. 27, 18	1000.00	955.57	1000	1	Cuban American Sugar 6% notes.
16	229.25		Oct. 11, 18	5000.00	4700.75	1000	5	3d Liberty Loan.
				STOCKS.				4th Liberty Loan.
16		20.25	Apr. 26, 16	2753.13	2773.38	100	25	Central Leather, Pfd.
16	720.75		Aug. 29, 16	5562.50	4841.75	100	50	American Light & Traction Pfd.
14	72.00		Aug. 29, 16	5881.25	5809.25	100	50	American Car & Foundry Pfd.
16	1297.00		Oct. 17, 16	6775.00	5478.00	100	50	Minn., St. Paul & S. St. Marie, Pfd.
16		233.33	Dec. 7, 16	5751.88	5985.21	100	66	General Motor, Pfd.
14			(Apr. 5, 16	5850.50)		100	50	U. S. Steel Pfd.
14	307.00		(Feb. 17, 17	5887.50)	11431.00	100	50	U. S. Steel, Pfd.
14		140.50	May 25, 17	5712.50	5853.00	100	50	International Harvester, Pfd.
14		53.00	June 26, 17	5856.25	5909.25	100	50	American Sugar, Pfd.
16	973.00		Oct. 8, 17	6607.25	5634.25	100	50	Bethlehem Steel, 8% Pfd.
16	94.88		Feb. 2, 16	2212.50)		100	25)	
			Apr. 24, 16	2254.13)	4371.75	100	25)	Western Union Tel. Co. Com.
16	597.25		Apr. 26, 16	3189.38	2592.13	100	25	Amer. Tel. & Tel. Co. Com.
16	582.25		Apr. 26, 16	2836.25	2254.00	50	50	Pennsylvania R. R. Com.
16		90.50	June 8, 18	4943.75	5034.25	100	5	U. S. Steel Corp. Com.
16		118.50	Nov. 6, 18	9337.50	9456.00	100	100	Atcheson & Topeka & Santa Fe R. R. Com.
	\$5876.81	\$954.21		\$111096.27	\$106173.67			
		Net Loss on	Total Sales.....	\$4922.60				

Plaintiff's Exhibit No. 41.

No. 474 New York, May 28th, 1919.

THE NEW YORK TRUST COMPANY.

Pay to the order of David Taylor Twenty five thousand and no/100 Dollars.

\$25000 00/100

F. M. TAYLOR.

[Endorsed]: Pay to order of the New York Trust Co. (Signed) David Taylor. May 28/19. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. H. T. M. Co., et al. F. M. Taylor, check. Plffs. No. 41. Filed Sept. 20, 1920. T. J. Edwards, Clerk. B-7. Plffs. 41.

Plaintiff's Exhibit No. 42.

POSTAL TELEGRAPH—COMMERCIAL
CABLES.

Clarence H. Mackay, President
TELEGRAM.

Received at Main Office Ernest & Cranner Building
920 17th Street Denver, Colo. Telephone:
Main 4600

File 67 X33

Wells Fargo Bank Escrow
Taylor

73SFS 52 COLL 1252P

WF Sanfran Cal May 28-19

DAVID TAYLOR

730 Symes Bld Denver Colo

Referring your telegram twenty-seventh New

York check will not be satisfactory our New York correspondent National Bank of Commerce you may deposit funds with them for our credit for your account Stop upon receipt of telegraphic advice from National Bank of Commerce we will apply amount here in accordance with your instructions

WELLS FARGO NATL BANK [669—63]

POSTAL TELEGRAPH—COMMERCIAL
CABLES

Clarence H. Mackay, President

TELEGRAM

Night Lettergram XXXX

Paid Night Letter—4:30 PM

Denver Colorado May 27, 1919.

Wells Fargo Nevada National Bank

San Francisco,

California

Expect to make payment amounting to about one hundred fifty thousand dollars on Nevada Humboldt stock now held in Escrow by you June second stop Will it be satisfactory if New York Trust Company wires you that they will honor my check on them payable to you for that amount or do you prefer having them establish credit in my name with your New York correspondent If so please wire promptly name of your New York correspondent

DAVID TAYLOR.

Chg. Consolidated Ores Co 730 Symes Bldg,
Denver

[Endorsed]: B-7. U. S. Dist. Court, Dist. Nevada, David Taylor vs. Nev. Humb. T. M. Co. et al. Wells Fargo Bank to Taylor & Taylor to W. F. Bank. May 27-8/19. Plffs. Ex. No. 42. Filed Sept. 20, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 43.

New York, May 12, 1919.

The New York Trust Company,
New York City.

Gentlemen:—

I wish to borrow \$40,000 for ninety days on the following security:

45 tons Tungsten (Scheelite) Concentrates 65%
W03 [670—64] 55 ton Tungsten (Schee-
lite) Concentrates 61% W03.

These Concentrates are in transit from Utah Sampling Company, Salt Lake City, Utah, to Keystone Warehouse, Harrisburg, Pa. They have been sampled and weighed by the Utah Sampling Company and analyzed by Ledoux & Company.

Approximately similar grade Concentrates were sold by me last week for a price of \$598.00 a ton, or \$9.50 per unit W03. The loan requested is on the valuation basis of \$6.35 per unit.

I shall not need the money for about fifteen days, at which time I propose to attach to my note either Railroad bills of lading or negotiable warehouse receipt in case material has arrived at warehouse, also appraisers certificates of weight and analysis. The

material will be stored in your name.

Yours very truly,

THE NEW YORK TRUST COMPANY.

OTTO T. BANNARD,

Chairman of the Board.

MORTIMER N. BUCKNER,

President.

26 Broad Street, New York, May 15, 1919.

David Taylor, Esq.,

730 Symes Building,

Denver Colo.

My dear Mr. Taylor:—

Referring to your letter of the 12th instant and as stated to you yesterday we will be glad to loan you \$40,000 for ninety days at 6% on the following—
45 tons Tungsten (Scheelite) Concentrates 65% WO₃. 55 tons Tungsten (Scheelite) Concentrates 61% WO₃. [671—65]

We understand that you will attach to your note either railroad bills of lading or negotiable warehouse receipts with appraisers certificates of weight and analysis covering the Tungsten concentrates in question.

Yours very truly,

M. N. BUCKNER,

President.

[Endorsed]: No. B-7, U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. H. T. M. Co. et al. Correspondence, Taylor to N. Y. Trust Co. Plffs. Ex. No. 43. Filed Sept. 20, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 44.

NEVADA HUMBOLDT TUNGSTEN
MINES CO.

Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock Nevada.

Lovelock, Nevada, April 17th, 1919.

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

My dear Mr. Taylor:

Having released my 250,000 shares of capital stock of the Nevada Humboldt Tungsten Mines Company which was up as collateral in the Reno National Bank they yesterday forwarded this stock to the Wells Fargo Nevada National Bank of San Francisco to be placed in escrow with the balance of it, and I would presume that you hear from the Wells Fargo Nevada National Bank to that effect, although they might consider it unnecessary for them to do so, and therefore, I am writing you to this effect today.

It seems that our tungsten mine is getting bigger [672—66] and better every day, but it seems that there is little price for tungsten, although I am satisfied I could have sold a carload at \$9.00 at the time we wired you as to whether we would be at liberty to do so, and I saw your letter to Frank Manson and also your letter here in which you referred to Mr. Daft, the broker, and he is the man with whom Mr. Manson was corresponding by wire, and no doubt he would just as soon do business with you

direct as with Manson, and therefore, I think you are absolutely right in taking the matter up personally, and I hope you will be successful in selling all of this product at a good price.

With kind personal regards, and my best wishes for your continued success, I am,

Yours very truly,

L. A. FRIEDMAN.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. H. T. M. Co. et al. Friedman to Taylor, April 17/19. Plffs. Ex. No. 44. Filed Sept. 20, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 45.

Return in five days to Nevada Humboldt Tungsten Mines Co., Lovelock, Nevada.

(2¢ postage Stamp)

(Postmark: Lovelocks Aug. 18
7PM NEV)

Mr. David Taylor,
730 Symes Bldg.,
Denver, Colo.

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of the Nevada Humboldt Tungsten Mines Company, will be held at the office of the company in Lovelock, Nevada, on Saturday, [673—67] August 23d, 1919, at 2 o'clock, P. M. for the purpose of ratifying the action of the Directors of said corporation in entering into an agreement of purchase and sale of all the property

and assets of the company and ratifying any documents executed in connection therewith, and the consideration of any other matters relative thereto that may properly come before the meeting.

Dated, Lovelock, Nevada, August 16th, 1919.

By order of the President.

R. NENZEL,
Secretary.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Notice of Special Meeting of Stockholders, Tungsten Co. This with envelope Plffs. Ex. No. 45. Filed Sept. 20, 1920. T. J. Edwards, Clerk.

[Endorsed]: (On Envelope) No. B-7. U. S. Dist. Court, Dist. Nevada. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. This envelope with enclosed notice, Plffs. Ex. No. 45.

Plaintiff's Exhibit No. 46.

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF NEVADA
HUMBOLDT TUNGSTEN MINES COM-
PANY.

Held at Lovelock, Nevada. August 16th, 1919, at
10:00 o'clock, P. M.

WAIVER OF NOTICE:

We, the undersigned, being all of the Directors of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by vir-

tue of the laws of the State of Nevada, do hereby waive notice of the time, place and purpose of holding a special meeting of the Board of Directors of said Company, and do hereby designate and fix the 16th day of August, [674—68] 1919, at 10:00 o'clock P. M. as the time at which said meeting shall be held, and the office of the Company in the City of Lovelock, Pershing County, Nevada, as the place of such meeting, and we do hereby consent that any and all business of any kind or nature which pertains to the business or interests of the Company may be considered and acted upon at said meeting.

WITNESS OUR HANDS this 16th day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

C. W. POOLE.

Filed Aug. 16, 1919.

R. NENZEL,

Secretary.

Pursuant to the above and foregoing written Waiver of Notice, a special meeting of the Board of Directors of Nevada Humboldt Tungsten Mines Company, was held at 10:00 o'clock, P. M., the 16th day of August, 1919 at the office of the Company in Lovelock Pershing County, Nevada.

Present, all of the Directors, namely: L. A. Friedman, R. Nenzel, H. J. Murrish, C. H. Jones and C. W. Poole.

The meeting was called to order by President L. A. Friedman, who stated that the principal business to come before the meeting was the acceptance or rejection of an offer to purchase the Company's real and personal property. On motion seconded and carried, the following Resolution was adopted:

RESOLVED, that the regular rules be, and they are [675—69] hereby suspended and that the Board proceed immediately to consider the special business to come before it.

W. J. Loring being personally present stated to the Board that he desired to purchase the entire property and holdings of the Company and the entire property of the Tungsten Products Company, and that he was ready and willing to pay the sum of \$333,333.33 for the properties of both companies. Mr. Loring presented to the Board a proposed contract of sale between this Company and Tungsten Products Company on the one part and W. J. Loring, on the other part. Thereupon H. J. Murrish offered the following resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company jointly with Tungsten Products Company to purchase the real and personal properties of this corporation and the real and personal property of said Tungsten Company for the sum of \$333,333.33 and has offered to enter into a binding sale agreement with this corporation, and

WHEREAS, we, the Directors of Nevada Humboldt Tungsten Mines Company are familiar with the properties of both corporations, and

WHEREAS, we, the Directors, deem that the offer of \$333,333.33 made for the property in view of the indebtedness of the company and threatened law suits and other matters which tend to harass the company and make a sale of its property at a higher figure impossible, is a reasonable one, and

WHEREAS, the said Tungsten Products Company is a subsidiary corporation to Nevada Humboldt Tungsten Mines Company, and said Tungsten Products Company and this company have become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it is for the best interests of this Company and of its creditors, to accept the said offer of said Loring and sell said property to him,

RESOLVED, that the Company accept the offer of said W. J. Loring, and that the President and Secretary of this corporation be, and they are hereby, authorized, directed and empowered to execute on behalf of this corporation an agreement or contract of sale with said W. J. Loring, in the words and figures following:

THIS CONTRACT, made and entered into this sixteenth day of August, one thousand nine hundred and nineteen, by and between NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, and [676—70] TUNGSTEN PRODUCTS COMPANY, also a Nevada Corporation, the parties of the first part, and W. J. LORING, of the City and

County of San Francisco, State of California, the party of the second part,

WITNESSETH:

That the parties of the first part, for and in consideration of the sum of One (\$1.00) dollar, lawful money of the United States, to them paid by the party of the second part, the receipt whereof is hereby admitted, and in consideration of the moneys to be paid by the party of the second part at the times and in the manner hereinafter provided, do by these presents covenant and agree with the party of the second part to sell, assign, grant, and convey and set over unto the party of the second part, and his heirs and assigns, and the said party of the second part hereby agrees to buy all of the real and personal property now owned by the parties of the first part, including all rights, easements, contracts for power, capital stock of other corporations owned by the parties of the first part, or by either of them, and in brief every article of real, personal, or mixed property, of every kind and description, now owned by the parties of the first part, or either of them, (excepting only the books and corporate records of the parties of the first part) and expressly including the following real and personal property, to wit:

REAL PROPERTY:

All those certain mining claims and mineral bearing lodes, veins and deposits situated in an unknown mining district, in the County of Pershing, for-

merly County of Humboldt, State of Nevada, described as follows:

The Gross Mine No. 2, Gross Mine No. 5, White Rock Mine, and Sky High, lode Mining claims, situated about seven miles northwest [677—71] of Mill City Station, on the Southern Pacific Railroad, copies of the location notices of which were duly recorded in the office of the County Recorder of said Humboldt County, in Book "S" of Notices, at page 502, reference to which said records for purposes of greater certainty of description is hereby expressly made, being the same property described in that certain Deed thereof to Nevada Humboldt Tungsten Mines Company, a Nevada Corporation, dated February 17, 1917, and recorded in Book 53 of Deeds, page 146, records of the County Recorder of said Humboldt County, State of Nevada;

Together with all the dips, spurs and angles, leads, lodes, metals, ores, gold, silver and tungsten bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed.

Also, that certain lot, piece or parcel of land situated in the County of Pershing, (formerly the County of Humboldt, State of Nevada, and described as follows, to wit:

Beginning at the East quarter corner of Section Twenty-seven (27) Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence South, along the East

line of said Section, to the Southwest corner thereof; thence west, along the South line of said Section, to the South quarter corner thereof; thence northwesterly, in a straight line, to the place of beginning, containing eighty (80) acres, according to the United States Public Surveys; together with all the rights, privileges and appurtenances thereunto belonging or in any wise appertaining. Being the same ground deeded to the Nevada Humboldt Tungsten Mines Company, a Nevada corporation, in that certain deed, dated April [678—72] 25, 1918, recorded in Book 53, page 76, of deeds, records of the office of the County Recorder of said County of Humboldt, State of Nevada;

Also, that certain piece or parcel of land lying situate and being in the County of Pershing (formerly County of Humboldt, State of Nevada, more particularly described as follows:

Beginning at the Southeast corner of Section Twenty-seven (27), Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence North one hundred feet; thence east five hundred (500) feet; thence south six hundred (600) feet; thence west six hundred (600) feet; thence north five (500) hundred feet; thence east one hundred (100) feet, to the place of beginning. Being the same property described in that certain Deed thereof to Tungsten Products Company, a Nevada Corporation, described in Book 1 of Deeds, page 18, official records in the office of the County Recorder of Pershing County, State of Nevada, to which said record ref-

erence is hereby expressly made; together with the mill, plant, improvements, tenements and hereditaments thereon, and all the rights, privileges, easements and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed;

Also, that certain easement for the flow of tailings from the mill, or any other plant or structure, on, or that may be constructed on, said last above described tract flowing on or over the northeast quarter of Section Thirty-five (35), Township Thirty-four (34) North, Range Thirty-four (34) east, Mt. Diablo Base and Meridian; together with all the rights, privileges and franchises thereto incident appendant, and appurtenant, or therewith usually had and enjoyed. Being the same easement described in that certain Deed thereof recorded in Book 1 of Deeds, page [679—73] 20, official records in the office of the County Recorder of the County of Pershing, State of Nevada, to which said record reference is hereby expressly made;

PERSONAL PROPERTY.

And also, all of the personal property of every kind and description owned by the parties of the first part and each of them, including all of the issued capital stock of the Mill City Development Company owned by said parties of the first part, or either of them, with the certificates representing the same properly endorsed in blank, and all ore in dumps, at the mill or in the mine; all buildings erected upon any of the lands hereinbefore de-

scribed; all tungsten concentrates including all concentrates in the mill or elsewhere owned by either of the parties of the first part and all concentrates in the possession of the party of the second part, the Pacific Tungsten Company, or Wells Fargo Nevada National Bank of San Francisco, and including all moneys due upon concentrates heretofore sold by either of the parties of the first part to the Western Ore Purchasing Company of Reno, Nevada; all mills, machinery, concentrating tables, engines, compressors, motors, belting, cables, hoists and every other article of machinery or equipment, which is now situated on the property of the parties of the first part or either of them above described, or in the concentrating mill thereon, or elsewhere; all mine cars, track, buckets, skips, drilling steel, jackhammers, stoping or drilling machinery of every kind and description and all of the tools and implements used in or about the mine and mill owned by the parties of the first part, or either of them, including all picks, shovels, blacksmith tools and equipment, carpenters' and millwrights' tools; all wagons and trucks; all mine and mill supplies of every kind, wheresoever situated, including powder; all boarding house and bunk-house furnishings [680—74] and equipment; and in brief every article of personal property including credits owned by the parties of the first part, or either of them, excepting only their books, corporate seal, and records, and except any item of cash in bank above the amount of \$195.46, and except supplies now at Mill City amounting

to \$1106.35 (being the following items: Baker Hamilton & Pacific Company, \$3.27, \$25.78, and \$19.10; the Gallagher Machinery Co., \$120.00; The Giant Powder Co., \$813.40; Allis-Chalmers Mfg. Co., \$353.60, and the Stearns-Roger Co., \$71.10).

The parties of the first part also agree to sell, assign, transfer and set over unto the said party of the second part, and his assigns, all of their right, title, interest, claim or demand in, to, or of any and all moneys which may hereafter be found to be due to them, or to either of them, from the Government of the United States by reason of any claim for relief which they, or either of them, have filed or presented under that certain act of Congress of the United States known as the War Minerals Relief Act.

The said party of the second part hereby covenants and agrees to pay or cause to be paid to the parties of the first part as the full purchase price of the entire properties of the parties of the first part as above described, including said right to moneys by reason of said War Minerals Relief Act, the sum of Three Hundred Thirty-three Thousand Three Hundred Thirty-three and Thirty-three one-hundredths (\$333,333.33) Dollars, in lawful money of the United States at the times and in the manner following:

The sum of Fifty Thousand (\$50,000.00) Dollars on or before September 1st, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars [681—75] on or before the first day of October, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the fifteenth day of November, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the twenty-seventh day of December, 1919;

The further sum of Thirty-three Thousand Three Hundred Thirty-three Dollars and Thirty-three cents (\$33,333.33) on or before the 4th day of February, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of May, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of August, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of November, 1920; and

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of February, 1921.

All payments of the installments of the purchase price above set forth shall be made in cash, or by certified check, or by cashier's check, or bank telegraph transfer, to the credit of the parties of the first part, at the First National Bank of Lovelock, Nevada, by payment thereof to it's Cashier, J. T. Goodin, who is Trustee for the creditors of said parties of the first part, who shall, first pay off the loan of Ten Thousand (\$10,000.00) Dollars procured to pay off labor claims, and shall there-

after pay out said installments so received to said respective creditors in accordance with his trust, but the payment thereof by said party of the second part to said Cashier and Trustee, or his successor as such, shall be a complete performance by said party of the second part of the payment of each installment so paid, and said party of [682—76] the second part shall not be obligated to ascertain whether said payments by said Cashier or Trustee shall have been properly distributed.

IT IS FURTHER UNDERSTOOD AND AGREED that the said party of the second part shall receive credit upon the installment of the purchase price falling due on the first day of September, 1919, for the sum of *Thirteen* Thousand One Hundred fifty-eight and fifty-two one hundredths (\$14,158.52) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines Company assigned by Rochester Mines Company, a Nevada corporation, to the party of the second part, and also for the sum of Four Thousand Two Hundred Eleven and sixty-two one hundredths (\$4211.62) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines Company, assigned by Rochester Combined Mines Company, a Nevada corporation, to the party of the second part; said claims or accounts now being the property of the party of the second part and due and owing to him.

IT IS EXPRESSLY COVENANTED AND AGREED that the party of the second part shall, upon the execution of this contract, have immedi-

ate possession of the properties above described, and all thereof and the right to conduct and operate said properties, and extract, ship, reduce and sell ore and concentrate therefrom, and shall apply the net proceeds of any concentrates derived from such operation by the party of the second part, first, to the payment of the debts of the corporation herein set forth, obtaining credit therefor upon the installments of the purchase price in the manner herein set forth, and thereafter shall have the right to apply such net proceeds upon said installments of the purchase price as may then remain. [683—77]

IT IS FURTHER AGREED that the party of the second part, or his assigns, shall have the right to collect all of the accounts and bills receivable due to said parties of the first part, or either of them, and to sell any of the tungsten concentrates covered by this agreement and any tungsten concentrates produced through the operation by him of any of said properties, and shall apply any moneys collected thereunder, whether out of account due said parties of the first part, or either of them, or collected from bills receivable; due, or otherwise, and all moneys derived from the net proceeds of concentrates so sold shall be paid over and apply upon the purchase price of said properties and in payment of the installments as the same become due and said party of the second part shall receive credit therefor upon the next installment falling due after the payment thereof.

In case of any default in the payment of any of said installments of the purchase price when due, then, at the option of said parties of the first part, this agreement shall terminate and be of no further force and effect, and said parties of the first part shall not be obligated to do anything further thereunder, and they shall be entitled to retake possession of said real property, together with any personal property thereon, and to retain any payments hereunder theretofore made as full and liquidated damages for the failure of the party of the second part to complete this agreement, and for rentals for the use and occupation thereof, and for damages caused by the extraction of ore therefrom and its change of appearance resulting therefrom and otherwise, but the option set forth in this paragraph shall not be deemed to abridge any right to which the parties of the first part may be entitled under the [684—78] provisions of this agreement.

The parties of the first part further covenant that within seven days from the date of this contract they will make and execute and deliver to the party of the second part or his assigns, good and sufficient deeds conveying all of the real property owned by the parties of the first part and each of them, and will also make, execute and deliver good and sufficient bills of sale conveying all of the personal property owned by the parties of the first part and each of them, and also good and sufficient assignments of the various contract, franchises, rights or easements and capital stock

of other corporations which the parties of the first part or either of them may own. Simultaneously with the delivery of said deeds to the party of the second part, by the parties of the first part, the party of the second part shall make, execute and deliver to the order of said parties of the first part, a properly executed mortgage containing the usual covenants covering the real property described in the deeds from each of said parties of the first part to the party of the second part, securing to said parties of the first part the payment of the installments of the purchase price of all of the properties at the dates and in the place set forth in this agreement. Said mortgage shall also contain a clause covering the liquidation of creditor's claims as herein set forth.

Time shall be of the essence of this agreement but there shall be a five days' grace allowed on the date set for the payment of each installment before the party of the second part shall be considered to be in default thereon.

It is further stipulated and agreed that this contract [685—79] shall run in favor of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties; and it is further agreed that the party of the second part shall have the right and power to assign this contract.

IN WITNESS WHEREOF the said Nevada Humboldt Tungsten Mines Company has by resolution of its Board of Directors caused its corporate name to be hereto subscribed by its Presi-

dent and Secretary and its corporate seal to be hereto affixed and said Tungsten Products Company has also, by resolution of its Board of Directors, duly adopted, caused its corporate name to be hereto subscribed by its president and secretary and its corporate seal to be hereto affixed, and the party of the second part has hereunto set his hand, in duplicate, the day and year first above written.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

Attest: R. NENZEL,
Secretary.

TUNGSTEN PRODUCTS COMPANY.

By L. A. FRIEDMAN,
President.

Attest: R. NENZEL,
Secretary.

W. J. LORING.

I hereby approve the foregoing contract on behalf of the Creditors of the parties of the first part and consent to the same.

J. T. GOODIN,
Trustee for Creditors.

Further Resolved, that the President and Secretary of this Company be, and they are hereby, authorized, empowered and [686—80] directed to make, execute, and deliver on behalf of this Company, and in accordance with the terms of said contract, all necessary deeds, bills of sale and convey-

ances, transferring said property to said W. J. Loring.

Further Resolved, that a meeting of the stockholders of this Company be called forthwith to meet at the office of the Company for the purpose of approving and further ratifying the sale of this Company's property, described in said contract, to said W. J. Loring on Saturday, August 23d, 1919.

The motion that said resolution be adopted was duly seconded by C. H. Jones and unanimously carried.

On motion of H. J. Murrish seconded by C. H. Jones, it was resolved that the sum of Three Thousand (\$3000.00) Dollars be fixed as a maximum amount to be expended by this Company for overhead in winding up its affairs.

The meeting on motion stood adjourned.

R. NENZEL,
Secretary.

We, the undersigned, Directors of The Nevada Humboldt Tungsten Mines Company do hereby approve the foregoing Minutes and ratify and confirm each and every of the Resolutions therein set forth.

L. A. FRIEDMAN,
R. NENZEL,
H. J. MURRISH,
C. H. JONES,
C. W. POOLE.

WAIVER OF NOTICE.

We, the undersigned, directors of Nevada Humboldt Tungsten Mines Company, a corporation or-

ganized and existing [687—81] under and by virtue of the laws of the State of Nevada, do hereby waive all notice of the time, place and purpose of holding a special meeting of the Board of Directors of said corporation, and do hereby fix the time for such meeting as the 23d day of August, 1919, at 3:30 o'clock P. M., and the place of such meeting as the office of the Company in the City of Lovelock, Pershing County, Nevada, and hereby consent that any and all business in any way affecting the interests of the Company may be acted upon at such meeting.

WITNESS OUR HANDS this 23d day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

C. W. POOLE.

Filed August 23, 1919.

R. NENZEL,
Secretary.

AFFIDAVIT OF MAILING NOTICE.

NOTICE IS HEREBY GIVEN that a special meeting of the Stockholders of Nevada Humboldt Tungsten Mines Company, will be held at the office of the Company in Lovelock, Nevada, on Saturday, August 23d, 1919, at 2 o'clock P. M. for the purpose of ratifying the action of the Directors of said corporation in entering into an agreement of purchase and sale of all the property and assets of the

Company and ratifying any documents executed in connection therewith, and the consideration of any other matters relative thereto that may properly come before the meeting.

Dated, Lovelock, Nevada, August 16th, 1919.

By order of the President.

R. NENZEL,
Secretary.

State of Nevada,
County of Pershing,—ss.

Gertrude K. Olfers, being duly sworn, [688—82] deposes and says: that on the eighteenth day of August, 1919, in the forenoon of said day, at the direction and under instructions from R. Nenzel, Secretary of Nevada Humboldt Tungsten Mines Company, she deposited in the United States Post Office in the City of Lovelock, Nevada, copies of the above notice, addressed to all of the stockholders of record of said Nevada Humboldt Tungsten Mines Company, at their last known address, with postage prepaid.

Dated this 23d day of August, 1919.

GERTRUDE K. OLFERS.

Subscribed and sworn to before me this 23d day of August, 1919.

BOOTH B. GOODMAN,
Notary Public.

MINUTES OF THE SPECIAL MEETING OF
THE STOCKHOLDERS OF NEVADA HUM-
BOLDT TUNGSTEN MINES COMPANY.

Held at Lovelock, Nevada, August 23d, 1919, at
2:00 o'clock P. M.

Pursuant to written notice given in accordance with the By-Laws of the corporation, a special meeting of the stockholders of the Nevada Humboldt Tungsten Mines Company was held in the office of the Company in the City of Lovelock, Pershing County, Nevada, on the 23d day of August, 1919, at 2:00 o'clock, P. M.,

The meeting was called to order by L. A. Friedman, President of the Company, who was unanimously chosen Chairman, and thereupon R. Nenzel, Secretary of the Company, was chosen Secretary of the meeting. [689—83]

R. Nenzel, Secretary of the Company, stated that written notice of the time, place and purpose of the holding of this meeting had been mailed to all persons owning stock in the corporation, in accordance with the provisions of the By-Laws of the Company. Thereupon Mr. Nenzel exhibited a copy of the notice, together with Affidavits showing that copies of the said notice had been properly mailed to all stockholders as provided for in the By-Laws. The Affidavits were then ordered filed with the Secretary.

The Chairman then ordered the Secretary to call the Roll and the following stock was found to be personally represented:

NAME.	NUMBER OF SHARES
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L. A. Friedman	39,679
J. T. Goodin	63,918
C. H. Jones	90,500
H. J. Murrish	102,769
Gertrude K. Olfers	9,100
R. Nenzel	103,769
V. A. Twigg	3,000
Frank Carlstrom	60,000
C. W. Poole	219,160

and the following stock was represented and present by proxy, duly filed.

NAME	NO. OF SHARES	NAME OF PROXY
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Lena J. Friedman	250,000	R. Nenzel
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The Chairman, on motion seconded and carried, appointed H. J. Murrish to pass upon the proxies filed with the Secretary. Mr. Murrish reported his approval of the proxy of Lena J. Friedman to R. Nenzel and that said proxy was in proper form and had been duly filed.

More than ninety-four per cent of the total issued capital stock of the corporation being present and either represented in person or by proxy, the Chairman declared the meeting to be duly [690—84] organized for the consideration of the business to come before it.

A protest from stockholder David Taylor was received and read and was ordered filed with the Secretary.

The Chairman then stated that the special purpose for which the meeting has been called, as

stated in the notice thereof, was for the purpose of ratifying and authorizing the sale of the entire real and personal property of the corporation to W. J. Loring, jointly with the entire property holdings of the Tungsten Products Company, for the sum of \$333,333.33, and also for the purpose of ratifying the action of the Board of Directors and the President and Secretary of the Corporation in entering into and executing, on behalf of this Company, a sale contract made by the Nevada Humboldt Tungsten Mines Company and Tungsten Products Company, on the one part, and W. J. Loring on the other part. A copy of said contract was exhibited to the stockholders for inspection.

Mr. H. J. Murrish then offered the following Resolution and moved its adoption:

WHEREAS, the President and Secretary of this Company did, on the 16th day of August, 1919, execute on behalf of this corporation, a certain contract and agreement made between this Company and Tungsten Products Company, on the one part, and W. J. Loring of the City and County of San Francisco, State of California, on the other part, which contract provided for the sale of this Company's property to said W. J. Loring, jointly with the property of the Tungsten Products Company, for a consideration of \$333,333.33 be, and the same is hereby ratified, confirmed and approved, and the acts of the said officers are hereby adopted as the acts of this corporation as fully to all intents and purposes as if the said officers had been previously authorized to enter into and execute said

contract and agreement on behalf of this Company by a Resolution of its stockholders duly adopted.

FURTHER RESOLVED, that the action of the Board of Directors of this corporation authorizing and directing the said officers to execute said contract on behalf of this corporation be, and the same is hereby ratified and approved and the act of said Board of Directors in this behalf is hereby adopted as the act of the stockholders of this Company.

The motion that said Resolution be adopted was duly [691—85] seconded by J. T. Goodin.

A vote was then taken which resulted in 941,800 shares being voted in favor of the motion that said Resolution be adopted, and there being no stock voted against said motion, the Chairman declared the said Resolution to be duly adopted.

H. J. Murrish then offered the following Resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company, jointly with the Tungsten Products Company to purchase the real and personal property of this corporation and the real and personal property of said Tungsten Products Company for the sum of \$333,333.33, and

WHEREAS, the Board of Directors of this Company, have, by Resolution, recommended that this Company accept the said offer and sell to W. J. Loring the real and personal property of this Company upon the terms stated in the contract here exhibited and fully set forth in the Minutes of the

special meeting of the Board of Directors of this Company, held on the 16th day of August, 1919, and

WHEREAS, this Company and said Tungsten Products Company, which is a subsidiary corporation to this Company, has become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it appears to us to be for the best interests of this Company, and its creditors, to accept the offer of said Loring and to sell said property to him, and

WHEREAS, it appears upon inspection of the sale contract executed by officers of this Company and said W. J. Loring that more than ninety per cent of the outstanding capital stock of this corporation has already, in writing, ratified and approved the said contract and the proposed sale of this Company's property, and

WHEREAS, we the stockholders, deem that the offer of \$333,333.33 made for the property, in view of the indebtedness of the Company and threatened law suits and other matters which tend to harass the Company and make a sale of its property at a higher figure impossible, is a reasonable one,

RESOLVED, that the President and Secretary of this Company be, and they are hereby directed, authorized and empowered to make, execute and deliver to said W. J. Loring, good and sufficient Deeds and Bills of Sale to all of the properties of this Company described in said contract and any and all other rights, assignments and conveyances which may be necessary to properly convey the property of this corporation described in said con-

tract to said Loring, under the terms of and as provided in said contract.

FURTHER RESOLVED, that the Board of Directors of this [692—86] corporation be, and they are hereby ordered and directed to a cause the said contract with said W. J. Loring to be fully carried out and performed on the part of this corporation.

The motion that said Resolution be adopted was duly seconded by J. T. Goodin.

A vote was then taken which resulted in 941,800 shares being voted in favor of the motion that said Resolution be adopted and there being no stock voted against said motion, the Chairman declared the said Resolution to be duly adopted.

Mr. H. J. Murrish then offered the following Resolution and moved its adoption:

RESOLVED, that the action of L. A. Friedman, as Trustee for the stockholders of this corporation in voting 94,680 shares of the capital stock of the Tungsten Products Company in favor of the sale of the property of said Tungsten Products Company to W. J. Loring at a meeting of the stockholders of said Tungsten Products Company, held August 16th, 1919, be, and the same is hereby ratified, approved and confirmed, and

FURTHER RESOLVED, that the stockholders of this corporation do hereby adopt the said act of said L. A. Friedman, Trustee, as their own act and deed.

The motion that said Resolution be adopted was duly seconded by R. Nenzel, and a vote of the stock-

holders was then taken which resulted in 941,800 shares of stock being cast in favor of the motion that said Resolution be adopted and none against the said motion. Thereupon the Chairman declared the said Resolution to be duly adopted.

On motion of H. J. Murrish, seconded and carried, the meeting adjourned.

(Signed) L. A. FRIEDMAN,
Chairman.

Attest: R. NENZEL,
Secretary.

We, the undersigned stockholders of the Nevada Humboldt Tungsten Mines Company, do hereby approve the foregoing Minutes [693—87] and ratify and confirm the proceedings and resolutions thereat had and adopted.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

FRANK CARLSTROM.

J. T. GOODIN.

C. W. POOLE.

V. A. TWIGG.

J. G. HUNTINGTON,

LENA J. FRIEDMAN,

By R. NENZEL, Proxy.
GERTRUDE K. OLFERS.

MINUTES OF SPECIAL MEETING OF BOARD
OF DIRECTORS OF NEVADA HUMBOLDT
TUNGSTEN MINES COMPANY.

Held in Lovelock, Nevada, August 23d, 1919.

Pursuant to the foregoing written Waiver of Notice, signed by all of the Directors a meeting of the Board of Directors of the Nevada Humboldt Tungsten Mines Company was held at the office of the Company, in the City of Lovelock, County of Pershing, State of Nevada, on the 23d day of August, 1919, at three-thirty o'clock in the afternoon.

There being a quorum present the meeting was called to order by President L. A. Friedman.

The minutes of the previous meeting, held on the 16th day [694—88] of August, 1919, were read, and on motion of H. J. Murrish, seconded and carried, the same were approved as read.

On motion of H. J. Murrish, seconded by C. H. Jones, and carried, the following resolution was adopted:

WHEREAS, the stockholders of this corporation have, by resolution, duly adopted, approved and ratified the contract heretofore entered into by this Company with W. J. Loring, of the City and County of San Francisco, State of California, for the sale of properties of this Company therein described, together with the properties of Tungsten Products Company, for a consideration of \$333,333.33, and have directed this Board to cause the said contract to be carried out and performed on the part of this Company, and,

WHEREAS, the form of mortgage to be given by said Loring as security for said purchase price has been inspected by this Board and the same has been found satisfactory in all particulars.

RESOLVED, that the President and Secretary of this Company, be, and they are hereby authorized, empowered and directed to accept from said W. J. Loring a mortgage, in the form presented and upon receipt of said mortgage, duly executed by said W. J. Loring, to make, execute and deliver to said W. J. Loring good and sufficient deeds of conveyance, bills of sale and assignments, conveying to said W. J. Loring all of the property of this corporation according to the terms of that certain agreement dated the 16th day of August, 1919, made by and between this Company and Tungsten Products Company on the one part, and said W. J. Loring, on the other part, and to do all other acts and things necessary or convenient to carry out the terms of said contract on the part of this corporation.

There being no further business to come before the meeting, it was, on motion seconded and carried, adjourned.

R. NENZEL,
Secretary.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Minutes Special Meeting Stockholders Tungsten M. Co. Plffs. Ex. No. 46. Filed Sept. 20, 1920. T. J. Edwards, Clerk. [695—89]

Plaintiff's Exhibit No. 49.

**POSTAL TELEGRAPH — COMMERCIAL
CABLES.**

Clarence H. Mackay, President.

TELEGRAM.

Received at Evans Building, 18 New York Avenue,
Washington, D. C. Telephone: Main 6600.

41ch 734p 102 BLUE

D. Denver COLO May 25 1919

B. L. Thane,

Willard Hotel, Washington, DC.

Bancroft reports more than forty thousand tons developed at least two sides thought has not yet got assay results new tonnage Bayless reports titles good Bancroft wires development up to expectations and considers proposition good stop Strongly opposed any government loan and employment Washington attorneys with cash retainer Brown taken ten thousand my father twenty thousand I can swing ninety five thousand if necessary with your twenty five this make necessary amount letter due Biltmore Hotel Tuesday morning think Poole better come west immediately advise filing claim to comply with act there deciding latter on how best to push it duplicate Newyork.

DAVID TAYLOR. [698—92]

THE NEW WILLARD,
Washington.
WILLARD'S HOTEL COMPANY,
F. S. Hight, President.

May 26, 1919.

Mr. B. L. Thane,
Biltmore Hotel,
New York City, N. Y.

Dear Thane:

Enclosed is your telegram from Taylor. I have also attended to the sending of copies of your telegram to Bishop to Harriman and Ford as you requested. Hope to be able to get over to New York before you return.

Yours truly,

C. W. POOLE.

[Endorsed]: No. B-7. U. S. District Court. Dist. of Nevada. Taylor v. Nev. Hum. T. M. Co. et al. Taylor to Thane and Poole to Thane. May 25 & 26/19. Plffs. Ex. No. 49. Filed Sept. 21st, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 50.

(Illustration of Mr. Nenzel's testimony.)

[Endorsed]: B-7. U. S. Dist. Court. Dist. of Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Illustration of Mr. Nenzel's Testimony. Plffs. Ex. No. 50. Filed Sept. 21, 1920. T. J. Edwards, Clerk. [699—93]

Plaintiff's Exhibit No. 52.

WESTERN UNION TELEGRAM.

Paid Day Letter 1:55 PM

Denver, Colo. March 28, 1919.

Nevada Humboldt Tungsten Mines Co.,
Lovelock, Nevada.

Bancrofts plans changed at Palace Hotel San Francisco today he may or may not come back via Denver stop However do not believe his presence necessary for proposed conference would be glad to see Messrs Poole Murrish and Nenzel.

DAVID TAYLOR.

Consolidated Ores Co.,
730 Symes Bldg., Denver. [700—94]

[Endorsed]: No. B-7. U. S. Dist. Court, District of Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Taylor to Tungsten Co. Mch. 28/19. Plffs. Ex. No. 52. Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Plaintiff's Exhibit No. 53.

WHEREAS, David Taylor, as plaintiff, has commenced in the United States District Court, in and for the District of Nevada, an action against the Nevada Humboldt Tungsten Mines Company, a corporation, and Tungsten Products Company, a corporation, defendants, claiming a balance due from the defendants to said David Taylor of Nine Thousand one Hundred Seventy-nine and 44/100ths (\$9,179.44) Dollars for monies advanced to said Nevada Humboldt Tungsten Mines Company and

Tungsten Products Company, corporations aforesaid, and,

WHEREAS, said balance so claimed in favor of said David Taylor includes interest to the amount of One Thousand Eight Hundred Forty-five and 40/100ths (\$1,845.40) Dollars, and,

WHEREAS, in said action a Writ of Attachment was issued against the defendants, and,

WHEREAS, the defendants have heretofore given a bond and undertaking for the release of said Attachment, and,

WHEREAS, L. A. Friedman and James T. Goodin are sureties on said bond so given for the release of said Attachment in said Action,

NOW, THEREFORE, in consideration of the dismissal of said action so pending aforesaid, and the further consideration of the release of James T. Goodin and L. A. Freidman and all other sureties on the bond for the release of the [701—95] Attachment so given in said action, and in consideration of the waiver of any claim of the plaintiff in said action for interest in the sum of One Thousand Eight Hundred Forty-five and 40/100ths (\$1.845.40) Dollars, and in settlement of the claim for the balance claimed to be due to said David Taylor from the said corporations in said action in the said United States District Court, and for the further consideration of the sum of Ten (\$10.00) Dollars in hand paid by said David Taylor to said L. A. Friedman and James T. Goodin, the Nevada Humboldt Tungsten Mines Company, a corporation, and Tungsten Products Company, a corporation,

and James T. Goodin and L. A. Friedman do hereby agree and promise, jointly and severally, to pay to said David Taylor the sum of Seven Thousand Three Hundred Thirty-four and 4/100 (\$7,334.04) Dollars payable as follows:

One thousand (\$1,000.00) Dollars cash, the receipt whereof is hereby acknowledged by David Taylor;

Six Thousand Three Hundred Thirty-four and 10th 4/100ths (\$6,334.04) Dollars on or before the 1st day of February, 1920.

December
Dated: This 15th day of ~~November~~, 1919.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

TUNGSTEN PRODUCTS COMPANY,

By L. A. FRIEDMAN,
President.

L. A. FRIEDMAN.

J. T. GOODIN.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nevada Humb. T. M. Co. et al. Agreement to pay Taylor \$7,334.04. Plffs. Ex. No. 53. Filed October 1st, 1920. T. J. Edwards, Clerk. [702—96]

Plaintiff's Exhibit No. B-54.

HOYT, NORCROSS, THATCHER, WOODBURN
& HENLEY,

Attorneys and Counselors at Law, Reno National
Bank Building, Reno, Nevada.

October 14, 1920.

Mr. T. J. Edwards,
Clerk, U. S. Court,
Carson City, Nevada.

My dear Mr. Edwards:

Upon the close of the case of Taylor vs. Nevada Humboldt Tungsten Mines Company et al., and I think after the testimony had closed, the defendants offered in evidence a financial magazine showing the prices of certain securities which were sold by Taylor, according to his testimony. The court then stated that I could have an opportunity to present my financial magazines in rebuttal. I am therefore mailing you under separate cover the Commercial & Financial Chronicle of New York, issues of May 24th, May 31st, June 7th, June 14th and July 5th, together with a statement summarizing the quotations in controversy. I would like to have these marked with the proper numbers as exhibits, and ask you to please call this matter to Judge Farrington's attention.

I am also sending a copy of the statement, to-

gether with a copy of this letter to Mr. Wheeler and to Mr. Cooke.

Kindest regards,

Yours sincerely,

GEO. B. THATCHER.

GBT J.

CC: Mr. Cooke, Reno.

Mr. Wheeler, San Francisco. [703—96—A]

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nevada Humb. T. M. Co. et al. The enclosed 4 copies of "The Commercial and Financial Chronicle, together with attached tabulation, are Filed October 15, 1920, as Plffs. Ex. No. B-54, pursuant to letter, also attached. T. J. Edwards.

(Note: The four copies of "The Commercial and Financial Chronicle" and tabulation are too voluminous to set forth here.) [704—96—B]

Defendants' Exhibit "A."

May 14, 1919.

W. S. Bayless,

c/o B. L. Thane,

408 Crocker Building,

San Francisco, California.

In anticipation that we will succeed in raising the necessary money to close the deal with the Nevada Humboldt Tungsten Mines Company on May thirty first it is necessary that we should have certain information in such shape that there will be no ques-

tion about carrying out the transaction. Stop. I am wiring Bancroft as Taylor already has done to make immediate examination of ore reserve so that we may be sure that payment is warranted. Stop. We are also arranging through the New York office so that Haskin and Sells will complete audit of company's books. Stop. Mr. Taylor expects to have his New York legal representative in San Francisco on or before that date to check up all proceedings and decide on any changes or character of new organization. Stop. In order to facilitate this work I have suggested that I could arrange to have you go immediately to the properties and carefully look into the following items. First titles. Second to thoroughly look into and examine all corporate meetings, minute books, see that company is properly organized under the State of Nevada and has fulfilled all of its obligations. Also check up stock books, look into all liens and contracts, payment of taxes, Federal and State, the idea being that you will have made thorough examination of this before Mr. Taylor's lawyer arrives, and be able to make detailed and full report on the same at that time. [705—97]

We plan to have all of this data as well as Bancroft's report and all original documents, minute books and records in San Francisco at the date of the closing of this transaction. Stop. In view of the short time we have available it will be necessary for you to give this your immediate attention and be certain that everything is in proper shape. You might talk over your procedure with Bancroft and

Haskins and Sells so that everything will be in proper shape and you will all co-operate to that end. We have arranged with Poole, the superintendent who is here to wire his associates at the mine to give you the necessary authority to obtain all this data and you can show them on your arrival there this wire. Stop. Keep me advised.

B. L. THANE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nevada Humb. T. M. Co. et al. Wire—Thane to Bayless, May 14/19. Identified for Defendants as Exhibit "A." T. J. E. Admitted in evidence Sept. 16, 1920. Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "B."

Incorporation 1,500,000.00.

300,000 Pfd. 7% Com Redeemable.

1200,000 Com. 10.00 basis

~~900,000~~ Com.

Treasury 300,000 Pfd.)

300,000 Com.)

issue 200,000 Pfd.

200,000 Com.

100,000 Pf.) leave in

100,000 C) Treas.

900,000 Common.

40% to Present Owners.

60% to Taylor et al.

360,000 shares.

540,000 shares. [706—98]

\$10.00 Basis Gross Profit\$1,401,000
 Redemption Pfd. stock $\frac{1}{2}$
 2 years 7% Interest 228,000

Net Profit1,173,000

Net Profit to present Owners:

360

———.323 $\frac{3}{4}$ % ..\$384150..38= ϕ per share

1100

~~360~~

—— or 30% of 1,200,000 Com. issued)

~~1100~~

\$12.00 Basis Gross Profit \$1,900,000

Pfd. stock, etc. 228,000

\$1,672,000

7

Net Profit to Present Owners—\$547,580=54= ϕ per share.

FINANCING.

200,000 Pfd.

7% Interest=14,000

per year

2 years 28,000

200,000

——— shares=17+%

1100,000

of Profits—

on 10.00 basis=\$199,400.00.

on 12.00 basis=\$284,240.00.

Average 30 tons per month=360 per year.

3142 tons will last=about 9 years.

i.e.: Investor will receive back his investment in 3 years with \$14,000 per year interest. Also in the 4th to 9th year on 10.00 basis \$33233 per year; 12/00 basis \$47373 per year.

In order to make investment safe only necessary to show at 8.00 market—or 35400 tons of ore—

10.00 market—or 25500 tons of ore

Basis 8.00 sale Price

3.60 Cost

4.40 times 70=\$308.00 a ton.

[707—99]

228000

————=708 tons cts.

308

=35400 tons 1.71% ore 80% recovery.

1,200,000. 840,000 900,000.

Pfd. Treasury Stock shall not be sold to net Company less than 90¢ on \$1.00. Com. Treasury Stock shall not be issued except as \$1 for 1.00 (or less) as bonus to *bona fide* subscribers to preferred. No capital expenditures of company funds shall be made except if approved by vote of 75% stockholders or 6 directors out of 7 at stockholders' meeting called for purpose.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit No. "B." Filed Sept. 15, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Defendants' Exhibit "C."**CONSOLIDATED ORES CO.**

David Taylor, President.

730 Synes Building.

Denver, Colorado, May 20, 1919.

Mr. R. Nenzel, Sec'y,

Nevada Humboldt Tungsten Mines Co.,

Lovelock, Nevada.

Dear Mr. Nenzel:

Will you please take steps to have all bills assembled and on hand within the next week.

Will you also please arrange that all the stock up in escrow is forwarded to the Wells Fargo Bank in San Francisco.

Will you also please have a special meeting of the stockholders called to authorize the transfer of all Nevada Humboldt, Tungsten Products, and one-half interest in Mill City Development, to a new corporation to be called the "Nevada [708—100] Scheelite Company."

My New York attorney is going carefully into the question of size and form of corporation, etc., advisable, and will be ready to discuss these matters with Mr. Murrish in Lovelock at the end of next week.

If the auditor's report of the books; Bayless' report of the title; and Bancroft's examination checks up what we expect, Thane and I personally expect to go through with the deal. Nobody in the East wanted to tackle the proposition unless they had control, and we were unwilling to give that up.

If there is any possible way in which you can switch the auditors from their Rochester books on to the Nevada Humboldt books and get this out quickly, I should greatly appreciate it, as I would like very much to have the transfer made and the deal closed by the first of June.

Please suggest to Mr. Murrish that in the matters of stockholders' meetings, directors' meetings, authorizations, etc., Mr. Jackson, our New York attorney, will probably be very technical, and I therefore hope everything will be prepared in true "Oriental style."

Particularly I should like to have the opinion of the auditors as to the income tax return made on the various companies for the year 1918, and their opinion as to its correctness.

According to the statements you gave me the first of May, the gross indebtedness of the company was within \$141,000.00 after reduction of the debts by the \$18,000.00 paid by me on last shipment and the elimination of the amount due me or Consolidated Ores Company, which I shall continue to carry personally. [709—101]

Mr. Thane and I therefore figure on the raising of \$150,000.00 in cash, which should pay off all these debts except those for May operations, and leave about \$10,000.00 in the treasury. This would mean the issuing of 157,900 shares of preferred stock at \$95.00 per share net to the Company.

It would greatly relieve our burden if you could persuade the Verdi Lumber Company to take, say, 50% of their bills in preferred stock at par, with a

bonus of one share of common for each share of preferred (i. e., on basis 1,000,000 shares com.).

With regards,

Yours very truly,

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit "C." Filed Sept. 15, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Defendants' Exhibit "D."

POSTAL TELEGRAM.

D Denver, Colo. May 25, 1919.

B. L. Thane,

Willard Hotel,

Washington, D. C.

Bancroft reports more than forty thousand tons developed at least two sides thought has not yet got assay, results new tonnage Bayless reports titles good Bancroft wires, development up to expectations and considers proposition good stop Strongly opposed any government loan and employment Washington attorneys with cash retainer Brown taken ten thousand my father twenty [710—102] thousand I can swing ninety five thousand if necessary with your twenty five this make necessary amount letter due Biltmore hotel Tuesday morning think Poole come west immediately advise filing

claim to comply with act there deciding latter on how best to push it duplicate Newyork.

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defendants' Ex. "D." Filed Sept. 15, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Defendants' Exhibit "E."

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always Open.

1919 May 29 AM 6 41

B31 NY 301 NL 1771.

81 New York NY May 28.

David Taylor,

Denver, Colo.

Your wire May twenty seventh it is impossible me to arrange twenty five thousand by second without my actually having to be in San Francisco and as soon as I found I was going to be delayed on account of the work which I now have to do in Washington and therefore would be unable to be in San Francisco as soon as expected I asked Poole if he would arrange so the twenty five thousand would not be called until I had time to arrange it in San Francisco he said he would be glad to do this and I am sure he will be able to arrange it stop The people in New York before whom I have already

laid this have not turned it down but are slow in giving me answer and I cannot press them beyond what I am already doing stop I am certain if you make a payment of one hundred twenty five thousand as planned Poole [711—103] and his partners will be glad give a thirty day extension on the balance which will permit me to clean up my work go west and make necessary arrangements stop The work which I have to do immediately in Washington is much more vital to my associates and myself than anything else at this time so it is impossible for me to leave until it is finished stop Am wiring Poole asking him to arrange to give you all necessary assurance of an extension of time on the twenty five thousand and I am sure he and his associates will be agreeable to this stop If I succeed in getting this Eastern group in will try arrange so that money is forthcoming immediately and anticipate if they decide come in they will want take up a larger percentage of the underwriting.

B. L. THANE.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit "E". Filed Sept. 15, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Defendants' Exhibit "F."

For Identification

David Taylor, Esq.

In Account With

Dr. THE NEW YORK TRUST COMPANY Cr.
1919 1919.

May 3	17 000 00	Apr. 30 Bal.	26 154 57
9	16 000 00	May 1	75 00
10	100 00	3	16 842 70
14	52 318 50	14	56 137 65
15	50 00	15	32 525 23
16	150 00	16	8 628 48
17	50 00	17	8 296 65
19	1 000 00	29	175 00
20	1 500 00	31	25 000 00
22	4 38		
23	1 30		
	3 000 00		
29	30 25		
	5 00		
	1 500 00		
31 Bal.	81 125 85		
<hr/>		<hr/>	
	173 835 28		173 835 28
<hr/>		<hr/>	

May 31 Bal. 81 125 00

I hereby certify the above to be correct.

E. B. LEWIS,

Assistant Treasurer. [712—104]

[Endorsed]: B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit "F" (For Identification). E. O. Patterson 9/15/20. Filed Sept. 15, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Defendants' Exhibit "G."

WESTERN UNION TELEGRAM.

Received at Pine & Montgomery Sts., San Francisco. Always Open.

1919 May 14 AM 7 35.

A146KS 35.

New York NY 1008A 14.

3081

Howland Bancroft,

CR B Bane,

408 Crocker Bldg.,

San Francisco, Calif.

Important get immediate opinion mine no extended examination needed but want your statement that forty thousand tons sure with one point four recoverable when can you leave for mine answer thirty Pine street Poole here.

DAVID TAYLOR.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Taylor to Bancroft. May 14/19. Defts. Ex. "G." Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "H."

WESTERN UNION TELEGRAM.

San Francisco, Calif., May 15, 1919.

David Taylor,

30 Pine Street,

New York, N. Y.

Your wire fourteenth. Impossible to determine amount and content of ore without sampling. Stop. Will be exceedingly busy for sometime and am not at all certain that I can undertake the work. [713—105] Stop. While I should like to make this examination suggest you get someone else.

HOWLAND BANCROFT.

(Charge B. L. Thane.)

(Charge Nevada-Humboldt Tungsten.)

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Bancroft to Taylor. May 15/19. Defts. Ex. "H." Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "I."**WESTERN UNION TELEGRAM.**

Received at 915-919 Seventeenth Street, Denver,
Colo. Always Open.

A May 22 PM. 10 20.

A492SF 60.

Tungsten Nev. 855P 22.

David Taylor 2781

730 Symes Bldg.,

Denver, Colo.

Your letter twentieth just received stop Required tonnage exposed on at least two sides stop Can give no positive assurance regarding tungsten contents until receipt of assay returned stop Believe property will hold up and my former favorable opinion remains unchanged stop Am leaving for Denver from Imlay train number two or twenty early Saturday morning please tell Miss Furber.

HOWLAND BANCROFT.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Bancroft to Taylor, May 22d. Defts. Ex. "I." Filed Sept. 16, 1920. T. J. Edwards, Clerk. [714—106]

Defendants' Exhibit "J."

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always Open.

1919 May 21 PM 12 43

A217SX 14

Tungsten Nev. 1120A 21.

David Taylor, 1080
730 Symes Bldg.,
Denver, Colo.

Your wire twentieth via Lovelock just received
and is unintelligible please reword or repeat.

HOWLAND BANCROFT.

2:10 P. M. Phoned house.

Mr. Taylor left for office.

WESTERN UNION TELEGRAM.

Paid night message—4:30 PM.

Denver, Colo., May 20, 1919.

Mr. Howland Bancroft,

c/o Nevada Humboldt Tungsten Mines Co.,
Lovelock, Nevada.

Important letter due Mill City Wednesday mid-
night mailed you today.

DAVID TAYLOR.

Chg. Consolidated Ores Co.

730 Symes Bldg., Denver.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist.
Nevada. David Taylor vs. Nev. Hum. Tungsten Co.
et al. Bancroft to Taylor, Taylor to Bancroft,
May 20 and 21st/19. Defts. Ex. "J." Filed Sept.
16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "K."**CONSOLIDATED ORES CO.**

David Taylor, President.

730 Symes Building.

Denver, Colorado, May 20, 1919. [715—107]

Mr. Howland Bancroft,

Nevada Humboldt Tungsten Mines Co.,

Mill City, Nevada.

Dear Howland:

I was glad to learn that you were again at the mine, and this morning have your letter advising of your plans for an assistant and for arranging a quick assaying by Watts.

John G. Jackson, New York attorney, is now planning to leave New York Friday, May 23d, spending a day in Chicago, which would bring him to Lovelock May 29th. I do not wish to go to this expense if your examination does not check up our idea that there is at least 40,000 tons of ore assured, with probabilities of a big additional tonnage, so that, if upon receipt of this letter you can give me any idea as to whether you think the tonnage is there or not, I wish you would wire me either "Advise postponing lawyer's trip," or "Advise having lawyer leave at once."

Inasmuch as eventually Thane and I will hope to place the preferred stock in New York, we thought it better to have a New York lawyer O. K. final form of incorporation, etc.

If it is in any way possible I want to get the deal closed before the first of June, so that I per-

sonally will not have to "carry the sack" for the concentrates now being produced and to be shipped in the beginning of June. If I have to do this it means so much less available money for making good the deficiency between \$150,000.00 and what Thane finally raises in New York.

Please wire me definitely upon receipt of this letter whether or not you can express an opinion by the end of the week.

With regards,

Yours sincerely, [716—108]

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Taylor to Bancroft. May 20/19. Deft. Ex. "K." Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "L."

WESTERN UNION TELEGRAM.

Received at

2-OM AAH 140 NL.

UD Ogden, Utah, May 30, 1919.

B. L. Thane,

Biltmore Hotel,

New York City.

Bancroft original tonnage estimate all right but large part not commercial thus accounting for only twenty thousand tons average recoverable tungsten one point forty six per cent tungstic acid showing sure profit of only one hundred thousand dollars stop Will endeavor extent present option six

months having friendly bankrupt proceedings and myself appointed receiver make Poole superintendent build assay office get assayer at mine and make agreement with court that we will exercise option whenever Bancroft will certify to forty thousand tons of one point four recoverable developed ore on at least two sides stop Bancroft still believes general prospects for big cheap mine excellent stop On this basis will you agree to take twenty five thousand on same basis when requisite tonnage and grade developed stop If you approve suggest wiring Poole urging him to favor this plan address Lovelock Saturday.

DAVID TAYLOR.

130AM.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Taylor to Thane, May 30/19. Deft. Ex. "L." Filed September 16, 1920. T. J. Edwards, Clerk. [717—109]

Defendants' Exhibit "M."

WESTERN UNION TELEGRAM.

Received at Pine & Montgomery Sts., San Francisco. Always Open.

1919 Jun. 2 AM 6 34.

A 10D 92 EX NL Repeat Back Denver, Colo. 1.

1126

David Taylor,

Palace Hotel,

San Francisco, Calif.

Final assays received today Stop Results of

sampling show that the total developed partially developed and indicated ore of a commercial grade in the Nevada Humboldt Mine as at May twenty fourth this year is eighteen thousand four hundred and seventy seven tons Stop The average grade of this tonnage as indicated by assay returns from detailed sampling is one point sixty four tungsten trioxide Stop The above summary may be attached to and form a supplementary part of my preliminary report on this property dated February fifteenth nineteen nineteen.

HOWLAND BANCROFT.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Bancroft to Taylor, June 2d, 1919., Deft. Ex. "M." Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "N."

NIGHT LETTER.

May 14, 1919.

Howland Bancroft,
c/o B. L. Thane,
408 Crocker Building,
San Francisco, Calif.

I am glad to hear that you have returned from Mexico. Please advise me by night letter your general opinion on the Copale [718—110] proposition as I would like to talk to Mr. Jackling about it before he leaves here. Stop. Mr. Taylor advises he has wired you to make immediate examination of

Nevada Humboldt Tungsten Mine. The principal purpose to determine and have report complete and available in San Francisco before May thirty first on the tonnage in sight as well as general outlook of property. This must be known in order that we may be certain there is sufficient tonnage to absolutely guarantee the hundred and fifty thousand dollars necessary to close this transaction. For your information I am satisfied deal which Mr. Taylor has made is the best he could make under the circumstances and even so it is not going to be the easiest thing to close this transaction under present conditions but we are hopeful of doing so. Stop. Bayless will show you a wire which I have sent him to-day which will be self explanatory. I hope you will be able to co-operate with him and with us in every way to make this transaction possible because if we are able to close it it will be a good piece of business for all of us and everything must be in final shape by May thirty first and available in my San Francisco office at that date. Stop. Taylor suggests that if you can make examination immediately and then proceed to Denver he could meet you there next week on his way to San Francisco. Please advise me your procedure.

B. L. THANE.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Telegram—Thane to Bancroft, May 14/-19. Defts. Ex. "N." Filed Sept. 16. 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "O."

WESTERN UNION TELEGRAM.

Received at 722 Market St., San Francisco. [719—
111]

EI32SF E 91 Blue

DENVER COLO 313P APRIL 3 191
381.

Howland Bancroft,
Care B. L. Thane,
Crocker Bldg.,
San Francisco, Calif.

Have closed alternative option whereby I am to raise funds to liquidate corporation indebtedness as seven per cent preferred stock redeemable from first profits netting company minimum ninety five stop Company to be reorganized or assets transferred to new corp'n as required by me I receive sixty two per cent common stock interest present owners receive thirty eight per cent stop Sufficient interest to place preferred stock must be supplied from my share (One inch torn from Exhibit here.) Option still in effect as alternative but both options expire June sixteenth wrote Thane yesterday enclosing copy new agreement.

DAVID TAYLOR.

344P.

[Endorsed]: No. B-7. U. S. District Court, Dist. of Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Taylor to Bancroft, April 3/19. Defts. Ex. "O." Filed Sept. 16, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "P."**CONSOLIDATED ORES CO.**

David Taylor, President,

730 Symes Building,

Denver, Colorado, May 28, 1919.

PERSONAL.

Mr. C. W. Poole,

c/o Nevada Humboldt Tungsten Mines Co.,

Lovelock, Nevada.

Dear Mr. Poole: [720—112]

According to Nenzel's statement given me in your offices in Lovelock at the end of April, the gross indebtedness of the Company as of April 30th was \$163,381.20. This was to be reduced by \$18,000.00 out of the draft drawn against the last shipment, thereby making the gross indebtedness \$145,381.20. It was on this basis entirely that we have arranged our financing and have arranged to get \$150,000.00.

Nenzel wired me on May 26th that the "accounts payable were \$5000.00 in excess of estimate," which would therefore increase this amount to \$150,381.20.

While I was in your office you will remember that this statement was not given to me as an estimate, but was given to me as an exact, correct statement of accounts on that date, and said to have been accurately taken from the books.

Neither Thane nor I can go to the people to whom we have talked and say that the accounts were wrong and that we have to have \$5000.00 more, as you can readily understand how this

would look. We cannot increase the preferred stock issue for the same reason, to supply the additional \$5000.00. The only means that has so far occurred to me whereby this can be worked out, is as follows:

As you know, the Company has a credit with the Nevada Humboldt Power Company, of say \$18,000.00, to be paid by deduction of one-half of the monthly power bills. It seems to me that a fair way to arrange this would be for the present stockholders to buy for cash \$5000.00 worth of this credit, thus furnishing the money to take care of the extra indebtedness. The new Company would then agree to repay this \$5000.00 by paying one-half of the monthly power bills each month.

[721—113]

I, personally, cannot take this loan because I have had to dig to the bottom of my pocket to raise the necessary \$150,000 which will be available in cash June the 2d.

Mr. D. R. C. Brown has taken 10,000; F. M. Taylor 20,000; leaving me possibly 120,000. Thane writes that he cannot arrange his 25,000 until he reaches San Francisco and suggested that arrangements might be made whereby the payment of this amount can be postponed until he does arrive. This is not practical, however, as neither Mr. Brown, My father nor myself are willing to make any investment unless the amount to pay off the entire indebtedness at one time is available. You will see, therefore, that I will personally have to raise an additional \$25,000.00 to take care of

Thane's interest until he reaches San Francisco.

When all these debts are paid, there will not be the slightest difficulty in financing the May bills of approximately \$11,000.00 by a loan against the concentrates from a bank.

Frankly, my desire to close the deal June 2d is because if I have to personally advance an additional \$20,000.00 against the May shipment of concentrates, my ability to finance the purchase would be reduced by just that amount.

Mr. Brunton and Mr. Brown will probably spend Saturday at the mine.

Knowing your attitude toward Thane and myself in this matter, I suggest that you talk over the entire proposition frankly with Jackson, who will be in Lovelock when you get there and whom you will find to be a first class fellow and a man who knows his business thoroughly.

Yours sincerely,

DT EWF [722—114]

[Endorsed]: No. B-7. U. S. District Court, Dist. of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al Defts. Exhibit "P." Filed Sept. 16, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Defendants' Exhibit "Q."

POSTAL TELEGRAPH—COMMERCIAL
CABLES.

Clarence H. Mackay, President,
TELEGRAM.

Received at Evans Building, 1418 New York
Avenue, Washington, D. C.

497NYTQ 20 443P

439

D Denver Colo May 26

C W Poole

New Willard Hotel Washn DC

Nenzel now reports indebtedness five thousand
more than estimated believe your presence Nevada
imperative if any deal to be closed.

DAVID TAYLOR

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of
Nevada. David Taylor vs. Nev. Humb. Tung. M.
Co. et al. Defts. Exhibit "Q." Filed Sept. 16
1920. T. J. Edwards, Clerk. By E. O. Patterson.

Defendants' Exhibit "R."

WESTERN UNION TELEGRAM.

Received at Lovelock, Nev

8SF MA 117NL

Denver Colo May 25 1919

41

Nevada Humboldt Tungsten Mines Co

Lovelock Nevada

According your statement given me Lovelock

gross indebtedness excluding that to me April thirteen was approximately one hundred sixty three thousand Stop You estimated this would be reduced by eighteen thousand on payment draft with last shipment leaving one hundred forty five thousand Stop Adding eleven [723—115] thousand nay expenses net results June first hundred fifty six thousand Stop Am I to understand that statement given me at Lovelock was thirteen thousand too much thereby making gross June first one hundred forty three thousand Stop Our financing arrangements made on basis outlined first forty three words this telegram and it will be almost impossible for Thane and myself to put through deal on basis of largely increased indebtedness.

DAVID TAYLOR.

436 PM.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. Tungsten Co. et al. Taylor to Nev. H. T. Mines Co. May 25, 19. Defts. Ex. "R." Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "S."

WESTERN UNION TELEGRAM.

Received at 915-919 Seventeenth Street, Denver,
Colo. Always open.

19 May 24 PM 12 24

B53SF 68 Blue

Lovelock Nev. 925A 24

Captain David Taylor

730 Symes Bldg

Denver Colo

Your letter May twentieth total indebtedness
excluding money advanced by you one hundred fifty
thousand four hundred dollars April thirtieth May
operations will be approximately eleven thousand
Stop Bayless report on title completed several
days ago Stop Auditors report of books will not
be completed June first but will be in position to
certify to indebtedness suggest your attorney Jack-
son Stop Lovelock to confer with Murrish and
auditors

R. NENZEL.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of
Nevada. [724-116] David Taylor vs. Nev. Hum.
T. M. Co. et al. Nenzel to Taylor, May 24, 19.
Defts. Ex. "S." Filed Sept. 17, 1920. T. J.
Edwards, Clerk.

Defendants' Exhibit "T."**WESTERN UNION TELEGRAM.**

Received at 915-919 Seventeenth Street, Denver,
Colo. Always open.

1919 May 26 PM 1 18.

A142SF 37 Blue

Lovelock Nev. 1140A 26

1210

Capt David Taylor

730 Symes Bldg

Denver Colo

Nightletter received our accounts payable five thousand in excess of estimate Stop Refund on over charge on freight and adjustments will probably reduce this four thousand dollars feel we can explain to your satisfaction upon your arrival.

**NEVADA HUMBOLDT TUNGSTEN
MINES CO.**

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. David Taylor vs. Nev. Hum. T. M. Co. et al. Nev. Hum. T. M. Co. to Taylor, May 26, 19. Defts. Ex. "T." Filed Sept. 17, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "U."

MEMORANDUM NO. 3.

Nevada Humboldt Tungsten Mines Co.
PROPERTY:

Area 160 acres, Mill City District, Nevada, nine miles from S. P. Main line. Titles good—Two veins, Tungsten ore, carrying sheelite—outcropping several thousand feet in length, averaging about six feet in width. No. 1 vein proven by development—380 feet in depth, and 2000 feet in length. Average grade ore developed and shipped 1-1/2%. Mill fully equipped to handle 120 or more tons per day. Gross value ore shipped to date \$300,000.00

PLANT:

Complete new modern 120 ton daily capacity concentrating mill—Electric power and water lines with all [725—117] necessary buildings and accessories for economical operation. Plant finished and put in operation November, 1918, operations continued to date, now producing 1 1/2 tons concentrates per day, fulfilling contract of 200 tons with David Taylor, which should be finished by June 1, 1919.

EXAMINATION:

Property examined July, 1918, by F. L. Hyder, now Assistant in Bureau of Mines at Washington, for B. L. Thane; and January 17—27, 1919 by Howland Bancroft, Mining Geologist of Denver, for David Taylor; both making favorable

reports. Geology and character of deposition of ore such that there is reasonable assurance of continuation of ore in depth to bed of enclosing granite basin, estimated between 1000 and 1500 feet, or 600 to 1100 feet deeper than bottom of present shaft; and, latterly, for full length of outcrops, in proportion, as milling grade now appears on surface.

At date of Hyder's examination, practically no ore fully developed. Mill under construction, operations being confined to immediate mining and shipping. At date Bancroft examination, mill operating full capacity and development progressed so that 8,111 tons of 1.75% ore in sight. Bancroft advised program of development, to be finished July 1st, 1919, which from indicated ore, he estimated should fully develop 157,000 tons by that date. This program now being diligently carried out. On April 1, new survey of this work indicated ore reserve of 41,000 tons, or an increase of 32,000 tons since January 27, with bottom of shaft and all faces of drifts showing good values.

COSTS:

Bancroft estimates cost of producing and delivering concentrates at domestic market at \$250.00 per ton. Actual operation producing 50 tons in April, 1919, under \$10,000.00 or \$200.00 per ton at Mine, or \$235.00 at market. Only one other property in U. S. that can produce 70% concentrates for less than \$700.00 per ton.

U. S. Consul General at Hongkong (Commerce Reports of April 11, 1919, page 248) states: "Cost of production in China at mine, not less than \$250.00 per ton."

This property has lowest production cost and can compete with any imports even without tariff.

MARKET:

(6) Average American price tungsten concentrates 1903—1913, was \$485.10 per ton; average 1915—1917 about \$2500.00 per ton; average 1918 price about \$1700.00 per ton. U. S. Domestic consumption 1913 about 3000 tons; 1918 about 4000 tons. Frank Hess, of U. S. Geological Survey, estimates post-war consumption 8000 tons per year after resumption of normal steel conditions. War has developed many new uses for Tungsten steel in peace industries. March 1st there were about 5000 tons of Tungsten in warehouses and at plants in this country, which was accumulated for war purposes and bought or [726—118] contracted for before the signing of the Armistice. Cash advances by banks and others against this material amounted to about \$1000.00 per ton, and it is to the interest of the buyers to keep the market at this figure so as to liquidate their investment. All interests have been very pessimistic as to the immediate future of Tungsten, but since the beginning of April there has been some interest shown by consumers and the market is again beginning to show activity. On April 25, 1919, 50

tons of concentrates were sold from this property at \$9.50 per unit or \$677.25 per ton.

ASSETS AND LIABILITIES:

Assets consisting of:

- (1) Partially developed mine of large probable tonnage of high grade, lowest cost ore, in process of development.
- (2) A fully equipped 120 ton operating plant costing about \$175,000.00.
- (3) 41,000 tons of fully developed ore on April 1st, 1919, having a net value on pre-war basis of \$192,864.00. On April market price \$340,382.00 on probable selling price of \$11.00 per unit, \$426,482.00.
- (4) On July 1, 1919, approximate date completion, development program outlined by Bancroft, there should be developed 157,000 tons of ore having a net value of

On average price 1904-1913	\$ 732,883.00
On April, 1919, market price	1,293,451.00
On probable selling price of	1,620,631.00
\$11.00 per unit.	

Liabilities consisting of:

About \$150,000.00 of bills payable on May 1st as result of mill, completed within two days of signing of Armistice and immediate cessation of war market. Had war continued two months longer, property would have been clear of all debts.

PROPOSITION:

The Nevada Humboldt Tungsten Mines Co. as now organized has a capital of \$1,000,000 of 1,000,000 shares par value \$1.00. For the purpose of immediately liquidating the present indebtedness of the company amounting to \$150,000 it is proposed to increase the capital in the amount of \$150,000 of 7% cumulative preferred stock to be retired before any dividends are paid on the common. In the sale of this preferred there will be offered a bonus of the common stock subscribed by the owners. The option on this is now held by David Taylor.

In analyzing this offer it will be seen, by referring to item 3 under Assets and Liabilities, that on April [727—119] 1st, 1919, the net value of ore in sight exceeds the sum of this loan and interest for two years, even under pre-war conditions, and under the April market price for Tungsten of \$9.50 per unit, by \$169,382, or 16¢ per share for the common, and, if probable market price of \$11.00 per unit is assumed, by \$255,482, or 25¢ per share for the common.

On July 1st, 1919 on the completion of the Bancroft program of development now being carried out, it will be seen by referring to item 4 under Assets and Liabilities, that, after paying of this preferred principal and interest, there would be left net for the common on pre-war price basis \$561,883, or 56¢ per share; and on April 25, 1919 selling price of \$9.50 per unit, \$1,122,140, or \$1.12 per share for common, and

on probable \$11 per unit selling price, \$1,149,631, or \$1.44 per share of common.

In view of the present showing in the mine and the probability of extension of the veins, laterally and in depth to the bed of the granite basin, the final output of the veins should be several times the above amount, increasing the value of common stock in proportion.

Considering the low cost of production, the possible future tonnage and the present developed ore, it may be safely stated that this proposed preferred issue is now adequately covered in principal and interest, and the common shares are an attractive proposition.

(For confirmation data see accompanying reports.)

[Endorsed]: B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit "U." Filed Sept. 7, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Defendants' Exhibit "V."

PROPOSED CAPITALIZATION.

\$1,150,000

150,000 Preferred 7% Cumulative

1,000,000 Common

DIVISION OF COMMON STOCK.

1,000,000 (380,000 Present Owners

(225,000 Treasury as bonus with Pfd.

(395,000 Taylor, Bancroft and Thane.

PRESENT LINEUP STOCK OWNERSHIP.

F. M. Taylor	20,000)			
D. R. C. Brown	10,000)	Preferred		
B. L. Thane	25,000)			
David Taylor	95,000)			
	<u>150,000</u>			
F. M. Taylor	Bonus with 20,000 Preferred		30,000)	
D. R. C. Brown	Bonus with 10,000 Preferred		15,000)	
B. L. Thane	Bonus with 25,000 Preferred	37,500)	
	Promotion	<u>79,000</u>	116,500)	Common.
David Taylor	Bonus with 95,000 Pfd.	142,500		
	Promotion	<u>237,000</u>	379,500)	
H. Bancroft	Promotion.....		79,000)	
Present Owners		380,000)	
			<u>1,000,000</u>	

Preferred stock is to be redeemed in full with 7% interest out of the first earnings of the Co. before any dividends are to be paid on the Common stock, thus making the Preferred stock issue practically a banking proposition, taking into account the ore developed in the mine as security.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit "V." Filed Sept. 17, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Defendants' Exhibit "W."

WESTERN UNION TELEGRAM.

Mill City, Nevada. 1/21/19.

David Taylor,
730 Symes Bldg.,
Denver, Colorado.

Will make every endeavor to reduce sulphur con-

tent and assure you can be done altho will probably take longer than tenth February due to crudeness of our apparatus. Development as outlined by Bancroft will necessitate roaster as practically all development will be in sulphide zone. Agree with his plan of development. Bancroft is wiring Brunton requesting him to investigate a roaster made in Denver if [729—121] satisfactory will purchase and install at once. This will make it possible to give low sulphur content later shipments at a low cost suggest you offer our scheelite Hudson Reduction Co. who may accept without penalty for high sulphur content thus save time and expense on this first shipment all agree with your arrangement with Lipman.

C. W. POOLE.

[Endorsed]: No. B-7. U. S. District Court, Dist. of Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Poole to Taylor, Jany. 21/19. Defts. Ex. "W." Filed Sept. 20, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "X"

January 24th, 1919.

Captain David Taylor,
730 Symes Building,
Denver, Colorado.

My dear sir:—

Your letter of January 21st has just been handed to me for answer. At the present time we have 51 tons of scheelite concentrates which we had con-

sidered ready for shipment. This runs 65.1% W_{O3} , and 2.84% sulphur; other impurities a trace. As this sulphur content is evidently too high, we will have to have some sort of a device to reduce the sulphur.

When the Nevada Humboldt first struck the sulphide ores, quite a large shipment was made to the Toulon mill of Byllesby & Company, and there, at our expense, on the advice of the Morrill Metallurgical Company of San Francisco, we installed a flotation unit, using the Janney cells. After an expenditure of several thousand dollars the experiment was abandoned as a [730—122] total failure and we have just reshipped from Toulon to our mill at Mill City, the pyritic concentrates on which we carried out this experiment, and I feel that it would be suicidal at this time for us to attempt anything further in the nature of flotation. We will, however, send a sample of our concentrates to Mr. Gayford, as you suggest.

My idea at the present time is to purchase a three hearth roaster of the McDougall type, such as manufactured by the Denver Fire Clay Company. This furnace will cost us about \$1300.00, installed at Mill City, and while I do not feel that it will be ample for all our future requirements, especially when we start a vigorous campaign of development work in the mine, as has been outlined by Mr. Bancroft, I think it will tide us over the present emergency, and if it is satisfactory we could then put in another unit to take care of the increasing demand for capacity.

I have been in communication with the Denver Fire Clay Company and about the best delivery they can make is two weeks on such a furnace. In the meantime we will not be able to ship the concentrates and draw a draft against you, which is going to very seriously embarrass us, and at the present time I do not see how we are going to meet this emergency.

In conversation with Mr. Bancroft, he suggested that one of the principal reasons why you object to us drawing on you before the scheelite had been loaded on the cars was that you were afraid our creditors might pounce upon us and tie up everything we had, including the concentrates, which would leave your advance to us in jeopardy. We are, therefore, offering to all our creditors a note due July 1st, 1919, bearing 6% interest, and if we are able to have them accept these notes, it would seem [731—123] to me that you would be perfectly safe in making us an advance of a few thousand dollars on a bill of sale for material as it stands in the mill. This will then enable us to install the roaster and clean up our concentrates, which, after roasting and running over the magnetic separator, should run about 68% WO₃, and not to exceed 1/2% sulphur, which will enable you to offer it as high grade scheelite in competition with any in the market to-day. Furthermore, if we can get the roaster going and working on our base ores, we can produce scheelite faster than we are doing now by gleaning what is left of the oxidized ores, which will put our company in a stronger

financial condition at the expiration of your option and materially assist in opening up sufficient ore to make you safe in taking up your option on the property.

Kindly advise me if you will entertain a draft of seven or eight thousand dollars if I can guarantee you that our creditors are all agreed to give us time to work out of our present financial difficulties.

Yours very truly,

(Signed) C. W. POOLE.

[Endorsed]: B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Poole to Taylor, Jany. 24/19. Defts. Ex. "X." Filed Sept. 20, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "Y."

(Map of "S. P." Vein, Looking N. W.)

[Endorsed]: B-7. Defts. Ex. "Y." Filed Sept. 20, 1920. T. J. Edwards, Clerk. [732—124]

Defendants' Exhibit "Z."

Estimated debt of the Company to be from \$130,000 to \$140,000, exclusive of that owed Mr Taylor.

Mr. Taylor will advance \$85,000, \$75,000 to be paid to the creditors pro rata and \$10,000 to be used as working capital for the development of the mine, developments to be carried on under the manage-

ment of a mining engineer of experience and ability, to be selected by Mr. Taylor.

The \$85,000 is to be paid back to Mr. Taylor from ore already in sight and developed in the mine, to be mined and milled at such times as Mr. Taylor may deem best.

Mr. Taylor will advance \$37,500 for each 10,000 tons of additional ore blocked out from new developments; ore shall mean, in all circumstances, 1.75% W03. New ore blocked out under this contract shall be determined from time to time by report of Howard Bancroft, Mining Engineer.

When all of the debts of the corporations are paid, Mr. Taylor shall receive 65% of the stock of a corporation to be organized under the laws of Nevada, which shall own all of the mining property of the Nevada Humboldt Tungsten Company, all the assets of the Tungsten Products Company, and 50% of the stock of the Mill City Development Company. Mr. Taylor shall also receive debenture bonds of said new corporation, secured by such mortgage or deed of trust upon the property and assets of the new corporation as may be necessary, said bonds to be in an amount equal to the amount of money due Mr. Taylor at the time when all debts of the old corporation have been paid.

(NOTE IN INK AT END: New corporation to formed, immediately, 65% stock to placed in escrow.)

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Mines Co. et al. Defts. Exhibit "Z." Estimated

Debt of Tungsten Co. Filed Sept. 21, 1920. T. J. Edwards, Clerk. By [733—125] E. O. Patterson, Dep.

Defendants' Exhibit "A-1."

This agreement may be in several counterparts, which together shall constitute one original.

This Agreement shall not be effective unless and until creditors owning at least 95% in amount of the claims set forth in Schedule-A, in excess of \$500 shall become parties hereto.

For the purpose of facilitating the carrying out of this agreement the Creditors parties hereto do hereby jointly and severally make, constitute and appoint—as their true and lawful attorney-in-fact with full power and authority to do any act, enter into any agreement, appertaining to the matters herein set forth, accept payment in full or on account of their claims, to supplement this agreement as may be necessary to give receipts and generally to do any act or thing to facilitate the carrying out of this agreement as fully as each or all of the creditors themselves might or could do.

The bonds shall by their terms become due in five years and meanwhile the Company Covenants and agrees to apply to their redemption all net earnings not required to pay creditors or development work. Net earnings available for this purpose shall be set aside and applied annually to the redemption of such bonds as the directors shall select by lot.

The Mill and equipment therein shall be at all times insured to the full amount available against destruction or [734—126] damage by fire or otherwise. The new company covenants to apply any moneys received from the Adjustment of damage losses to the prompt repair of the Mill. If the Mill shall be totally destroyed, the Insurance Moneys shall be applied to the payment of outstanding bonds in like manner as if they were net earnings.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit No. "A-1." Unsigned Agreement of Tungsten Stockholders—The addendum. Filed Sept. 21, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy.

Defendants' Exhibit "A-2."

In the United States District Court, in and for the
District of Nevada.

AT LAW.

DAVID TAYLOR,

Plaintiff,

vs.

C. W. POOLE, R. NENZEL, H. J. MURRISH, L.
A. FRIEDMAN, C. H. JONES, G. K.
HINCH, J. T. GOODIN, V. A. TWIGG, J.
G. HUNTINGTON, and LENA J. FRIED-
MAN,

Defendants.

BILL OF COMPLAINT.

Comes now the plaintiff in the above-entitled action and complains of the defendants, and for cause of action alleges:

I.

That plaintiff is a citizen and resident of the State of Colorado and of the City and County of Denver in said State.

II.

That the defendants, and each of them, are citizens and residents of the State of Nevada and of Lovelock, Pershing [735—127] County in said state.

III.

That this is the controversy between citizens and residents of different states, and the amount in controversy herein, exclusive of interest and costs, exceeds the sum of Three Thousand (\$3,000.00) Dollars.

IV.

That on or about the 16th day of January, 1919, the defendants executed, made and entered into a contract with the plaintiff for the sale of all their respective interests in The Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, said interests of the respective parties being represented by certain shares of stock in said companies; said Nevada Humboldt Tungsten Mines Company being then and there the owner of certain mines and mining claims and mining rights in certain real estate,

all situated near Mill City in what is now the County of Pershing in the State of Nevada; that the Tungsten Products Company was a subsidiary of said Nevada Humboldt Tungsten Mines Company and owned and operated a mill for the treatment and concentration of certain scheelite ores produced by the Nevada Humboldt Tungsten Mines Company at its property aforesaid, and that the Mill City Development Company was a corporation owning certain real estate, also a pipe-line and water rights, and about fifty (50%) per cent of the capital stock of said corporation being then and there owned by the Nevada Humboldt Tungsten Mines Company or the Tungsten Products Company hereinbefore mentioned. That a copy of said contract for the sale of said respective interests of the defendants is attached to this Complaint, made a part hereof and marked "Exhibit A." [736—128]

V.

That sometime immediately preceding the making and execution of the contract of January 16th, Exhibit "A," there had been brought to the attention of the plaintiff a report of one Howland Bancroft, a mining engineer, of and concerning the mines, mining property and mining rights of the Nevada Humboldt Tungsten Mines Company, which said report showed the amount of development which then existed upon said mining property, and showed that about nine thousand (9,000) tons of scheelite ore of an average of 1.75% tungstic acid had been developed, placed in sight, blocked out and ready

for mining in said mining property of the Nevada Humboldt Tungsten Mines Company; that at all of the times mentioned in this Complaint the defendants, Murrish, Nenzel and Poole were directors of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, and the defendant Poole had general charge of all mining and milling operations of said Nevada Humboldt Tungsten Mines Company and its subsidiary, the Tungsten Products Company; that the facts and truth concerning said mines and mining claims of the Nevada Humboldt Tungsten Mines Company and of the development work which had been performed and the new development work in process on and within said mines, mining claims and mining rights of said Nevada Humboldt Tungsten Mines Company, and the amount of ore developed, placed in sight, blocked out and ready for mining in said mining property of the Nevada Humboldt Tungsten Mines Company were at all times mentioned in this Complaint peculiarly within the knowledge and information of the defendants, and particularly of the defendants, Poole, Nenzel, Murrish and Friedman. That in or about the month of March, 1919, plaintiff informed the defendants that he would not exercise his [737—129] option to purchase said interests of the defendants in said corporations under said contract of January 16th; that thereupon the defendants, Poole, Murrish, Nenzel and Friedman, acting for themselves and for the other defendants, falsely and fraudulently, by means of letters and telegrams, informed the plaintiff that

further and new development work had been carried on within the mines, mining claims and mining rights, and property of the Nevada Humboldt Tungsten Mines Company which had developed and placed in sight, blocked out and ready for mining large quantities of scheelite ore of commercial value and capable of being concentrated, and the concentrates so returned being of great value; that thereupon, and on or about the 2d day of April, 1919, the defendants Poole, Murrish and Nenzel came to Denver, Colorado, for the purpose of inducing the plaintiff to take a new contract for the disposition of their respective interests, or a part thereof, and the plaintiff, relying upon said representations of the defendants Poole, Murrish and Nenzel, who then and there represented themselves, and were acting as the representatives, agents and attorneys in fact for the other defendants, entered into a contract whereby plaintiff undertook to raise sufficient money to pay the debts and obligations of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, for which said service the plaintiff was to receive sixty-two (62%) per cent. (NOTE: "Per cent" interlined before filing. E. O. P.) of the issued capital stock of the Nevada Humboldt Tungsten Mines Company, sixty-two (62%) per cent of the issued capital stock of the Tungsten Products Company and sixty-two (62%) per cent of one-half of the issued capital stock of the Mill City Development Company, a full, true and correct copy of said contract being attached [738—

130] to this Complaint, made a part hereof, and marked Exhibit "B." Said contract was issued at Denver, Colorado; (Note: "Said contract was executed at Denver, Colorado" interlined before filing. E. O. P.) that the defendants Poole, Murrish and Nenzel, acting for themselves and as the agents of and for the other defendants, for the purpose of inducing the plaintiff to enter in and upon said supplemental contract, Exhibit B, of date of April 2, 1919, then and there falsely and fraudulently, and with intent to deceive the plaintiff, represented to plaintiff that when the contract of January 16, 1919, was entered into, Exhibit "A," there was blocked out, developed and in sight in said mine about nine thousand (9,000) tons of scheelite ore carrying 1.75% tungstic acid; and that since said date great and additional ore bodies of equal grade had been developed; that a large amount of new development work had been done and performed upon said mines and that there was then on said 2d day of April, blocked out, in sight and ready for mining and reduction into concentrates over sixty thousand (60,000) tons of scheelite ore which would carry from 1.50% tungstic acid to 1.75% tungstic acid; that each and all of said representations were false and untrue, and were known by the defendants at the time they were made to be false and untrue, and were made for the purpose of deceiving the plaintiff and for the purpose of causing him to undertake and carry out the provisions of said supplemental contract of April 2, Exhibit "B," attached hereto; that in truth and in

fact at said time there was opened up and developed and in sight in said mine not to exceed nineteen thousand (19,000) tons of scheelite ore of an average value not to exceed 1.75% tungstic acid.

VI. [739—131]

That plaintiff, relying upon and believing said false and fraudulent representations of the defendants, so made on or about the 2d day of April, 1919, immediately gave practically his sole time and attention to the carrying out of the terms of said contract by which he was to raise for the benefit of the corporations, Nevada Humboldt Tungsten Mines Company, Tungsten Products Company and Mill City Development Company, sufficient moneys for the payment of their debts and outstanding obligations, and in so doing and in his endeavor to carry out said provisions of said contract, and for the purpose of consummating the same, laid out and expended for traveling expenses of plaintiff to Lovelock, Nevada, San Francisco, California, New York City and to various other places, for assaying, maps, surveys, expert services for mining examinations and reports, legal fees for the examination of titles and of the organization of the corporations, telegrams and telephones the sum of Eight Thousand Eight Hundred Twenty and 21/100 (\$8,820.21) Dollars.

VII.

That plaintiff also gave his time and efforts to said enterprise and the consummation of said contract during all of the time from April 2 to on or

about June 1, 1919; that, as a result of the expenditures, time and efforts of the plaintiff, plaintiff succeeded and had pledged by himself and others associated with him an amount sufficient to meet any and all obligations of his under the terms of said contract, and sufficient to entitle him to receive sixty-two (62%) of the stock of the Nevada Humboldt Tungsten Mines Company, sixty-two (62%) per cent (NOTE: "per cent" interlined before filing. E. O. P.) [740—132] of the stock of the Tungsten Products Company, and sixty-two (62%) per cent of one-half of the Mill City Development Company under the terms of said contract of April 2, 1919, Exhibit "B."

VIII.

That on or about the first of June, 1919, plaintiff discovered the falsity of the representations of the defendants, and thereupon his associates, who had agreed to furnish a large portion of the money necessary for the completion of the obligations of plaintiff under said contract, withdrew from said undertaking and refused to go into the same or to advance any money whatsoever for it.

IX.

That had the representations of defendants, as to the amount and quality of ore opened up, developed and in sight in said mine, been true, said ores would have had a net value, over and above all expenses of cost of mining, transportation and sale, of Three Hundred Twenty Thousand (\$320,000) Dollars; that the debts and obligations of said corporations were then, and are now, of about

One Hundred Fifty Thousand (\$150,000) Dollars; that the net value of said mines and of the stock of said companies, after the payment of all debts, had the representations of defendants been true, would have been about One Hundred Seventy Thousand (\$170,000) Dollars; that in truth and fact said corporations, and each of them, are now insolvent; that the total value of their assets, including all ore developed, in sight and available, did not then, or now, exceed the sum of *One Hundred Twenty* (\$120,000) Dollars; that the ore in sight in said mine was not then, to wit on the 2d day of April, or now, of any other, further or greater value than Seventy Thousand (\$70,000) [741—133] Dollars; that the value of the stock which plaintiff would have received under the terms of said contract, and to which he was entitled, had the representations of defendants been true, would have been One Hundred Five Thousand Four Hundred (\$105,400) Dollars.

X.

That by reason of the false and fraudulent representations aforesaid plaintiff has been damaged in the sum of One Hundred Fourteen Thousand Five Hundred Seventy-nine and 44/100 (\$114,579.44) Dollars.

WHEREFORE, plaintiff prays judgment against the defendants, and each of them, in the sum of One Hundred Fourteen Thousand Five Hundred Seventy-nine and 44/100 (\$114,579.44) Dollars.

NORCROSS, THATCHER & WOODBURN.

Attorneys for Plaintiff.

EXHIBIT "A."

THIS AGREEMENT made between David Taylor, of Denver, Colorado, party of the first part, and L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch, John G. Huntington, J. T. Goodin, V. A. Twigg, and Lena J. Friedman, all residents of Lovelock, Nevada, being the holders of ninety-nine (99%) per cent of the capital stock of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, and L. A. Friedman, as Trustee, parties of the second part.

WITNESSETH:

That, WHEREAS said L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch, John G. [742—134] Huntington, J. T. Goodin, V. A. Twigg and Lena J. Friedman, are the owners and holders of stock in each of the above companies, the number of shares of stock in each company being set opposite their respective signatures hereto, and

WHEREAS, L. A. Friedman is Trustee for all other of said second parties hereto, of all of their interest in the Mill City Development Company, which said corporation is in the process of organization, and which said corporation has not as yet issued its stock, and

WHEREAS said second parties desire to sell all of their interest in the said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company and said Mill City Development

Company, all of which corporations are corporations organized and existing under the laws of the State of Nevada, and

WHEREAS the said first part is desirous of securing an option to purchase the entire interest of all of said second parties in all of said corporation, and

WHEREAS said first part has this day entered into a contract with the Nevada Humboldt Tungsten Mines Company, and said Tungsten Products Company to advance said corporations the sum of One Hundred Thousand Dollars (\$100,000.00) to enable said corporations to continue their business and operations and to discharge a portion of their indebtedness.

1. NOW, THEREFORE, in consideration of the premises and in consideration of the said first party hereby entering into said agreement to advance One Hundred Thousand Dollars (\$100,000.00) to said corporations, said second parties hereby grant and give to said first party an option to purchase all of the stock held by said second parties in the Nevada Humboldt [743—135] Tungsten Mines Company and in the Tungsten Products Company, and all of the interests of said second parties in the Mill City Development Company at the price and in the manner hereinafter specified. This option shall be good up to and including the Sixteenth (16th) day of July, 1919.

2. The price to be paid for all of said stock in all of said corporations owned by all of said second parties shall be Fifty Cents (\$.50) per share

for each share of stock held by said second parties in the Nevada Humboldt Tungsten Mines Company, and said second parties shall transfer, assign and set over unto said first party without further charge or cost to said first party, all of the stock owned by said second parties in the Tungsten Products Company and the Mill City Development Company which they now own or shall be entitled to upon the completion of the organization of the Mill City Development Company; Total purchase price shall be \$498,400.00.

3. Said second parties will during the life of this option pay all of the debts and obligations of all of the said corporations; and agree that said corporations will maintain their plants and equipment in their present condition of efficiency, and will continue the present development work as it has heretofore been conducted. Said second parties will also complete the organization of the Mill City Development Company and discharge all of their obligations to said Mill City Development Company.

4. It is further understood and agreed that no dividends of any kind, nature or description shall be paid by said corporations during the life of this option, and that none of the assets of said corporations shall be disposed of other than Scheelite concentrates provided that replacements [744—136] of equipment shall be permitted.

5. It is further understood and agreed that no increase of salaries or bonuses shall be made, given, or paid to any officers or directors or stockholders

of said corporations during the life of this option.

6. It is further understood and agreed that in case said option is exercised and said debts and obligations of said corporations are not paid at the time of the exercise of said option, the said first party shall deduct a sufficient amount from the purchase price to pay all outstanding debts and obligations and engagements of said corporations.

7. It is understood and agreed that the purchase price for said stock shall be paid as follows:

\$100,000.00 at the time said option is exercised

\$25,000.00 on the first of each and every month thereafter until the total purchase price has been paid.

8. Said option shall be exercised by giving notice in writing to the Wells Fargo Nevada National Bank of San Francisco, and by mailing a written notice of such exercise of said option addressed to each of said parties, addressed to Lovelock, Nevada. Payments shall be made through the Wells Fargo Nevada National Bank of San Francisco, California.

9. Said second parties agree to deposit all of the stock of the Tungsten Products Company owned by said second parties, and Two Hundred Eighty-five Thousand (285,000) shares of stock in the Nevada Humboldt Tungsten Mines Company within Ten (10) days from the execution of this option in the Wells Fargo Nevada National Bank of San Francisco. It is understood and agreed that the remaining shares of stock in said Nevada Humboldt Tungsten Mines Company, upon which

option is hereby [745—137] given, owned severally by said second parties are now up as collateral for certain loans to said individuals, and as to such stock, it is hereby agreed that within Ten (10) days from the execution of this agreement, each and every of the parties signatory hereto, who has such stock now up as collateral shall notify by letter the bank, person or company holding said stock as security of the giving of an option on said stock and shall further instruct said bank, firm or company in the event that the amount secured by such stock is not paid on or before July, 15, 1919, to send the evidence of such debt together with the stock to the Wells Fargo Nevada National Bank for collection, with instructions to said bank, upon the payment of the obligation to place the stock, security therefor, with the escrow herein mentioned, and forthwith mail to the first party a true and correct copy of said letter.

10. The said second parties agree to discharge said 10 loans prior to the exercise of said option. In case said second parties do not discharge said loans, said second parties agree that the Wells Fargo Nevada National Bank shall from the proceeds of the first One Hundred Thousand Dollars (\$100,000.00) deposited, pay said indebtedness to said banks and secure said stock owned severally by said second parties and hold the same until the full purchase price has been paid. Upon the payment of the full purchase price of said stock all of said stock shall be delivered to said first party.

11. Said second parties further agree to deposit in escrow, with said Wells Fargo Nevada National Bank resignations of all of their directors and to deliver one resignation to said first party for every One Hundred Thousand Dollars ((\$100,000.00) is paid. Said second parties further agree that they will cause [746—138] to be immediately elected to said Board of Directors of said corporation in place of the director resigning, the nominee of said first party. Upon the exercise of this option and the payment of said One Hundred Thousand Dollars (\$100,000.00), the management of said corporations shall be turned over to said first party, and the said second parties will cause the Board of Directors of said corporations to naem as general manager of Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, the nominee of said first party, which general manager shall have full power and authority to remove any and all superintendents, foremen, agents, servants and employees of said corporations, and to employ any and all necessary superintendents, foremen, agents, servants and employees as may be necessary to operate said properties.

12. In the event said first party shall delay for a period of Five (5) days to make any of the loans to said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company called for in said loan agreement, the said second parties in their discretion may terminate this option by giving immediate notice thereof in writing to said first party.

13. Second parties agree that said One Hundred Thousand Dollars (\$100,000.00) loaned to said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company shall be used solely to pay operating expenses, to purchase of reasonable supplies and reasonable equipment, and to discharge the indebtedness of said corporations.

14. This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. [747—139]

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 16th day of January, 1919.

(Signed) DAVID TAYLOR,
First Party.

L. A. FRIEDMAN	106,640 shares
R. NENZEL	102,000 “
C. W. POOLE	119,160 “
H. J. MURRISH	101,000 “
C. H. JONES	100,000 “
G. K. HINCH	10,000 “
JOHN G. HUNTINGTON	50,000 “
J. T. GOODIN	5,000 “
V. A. TWIGG	3,000 “
LENA FRIEDMAN	400,000 “

Second Parties.

L. A. FRIEDMAN,
Trustee.

Signed by R. NENZEL,
Attorney in Fact.

EXHIBIT "B."

THIS AGREEMENT this day entered into between David Taylor, of Denver, Colorado, first party, and L. A. Friedman, Lena J. Friedman, C. W. Poole, John G. Huntington, R. Nenzel, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, and H J. Murrish, second party.

WITNESSETH:

WHEREAS the parties hereto, on or about January 16, 1919, entered into an agreement in respect to the purchase and sale of certain stock of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, reference to which contract is hereby made and which said contract is made a part hereof, and [748—140]

WHEREAS the Nevada Humboldt Tungsten Mines Company on the same date, entered into an agreement with the said David Taylor for the advance of certain mines on scheelite concentrates, as more particularly appears in said agreement to which reference is hereby made, and

WHEREAS this agreement is supplemental to both of said agreements and all of said agreements are now to be read together and considered as one in so far as applicable, due reference being had to the changes herein made, and

WHEREAS, owing to the demoralization of the tungsten market it seems impossible for the said David Taylor to market scheelite concentrates or to interest parties in the purchase of tungsten properties, and for that reason it is deemed prob-

able that said Taylor will not be able to exercise his option contained in the above-mentioned agreement, and

WHEREAS, by reason of the facts herein named it may become impossible for the Nevada Humboldt Tungsten Mines Company and the other companies above referred to to secure sufficient funds for the liquidation of their indebtedness, and

WHEREAS it is the purpose of this agreement to so modify the said option so as to enable the said Nevada Humboldt Tungsten Mines Company and its allied companies to pay its debts, continue its operation and secure itself from the jeopardy of possible loss through suits by its creditors.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) each to the other in hand paid, it is mutually understood, covenanted and agreed as follows, to wit:

1. The first party undertakes to secure by borrowing [749—141] for the Nevada Humboldt Tungsten Mines Company, and its allied companies, a sum sufficient to liquidate the indebtedness of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company, and the proportion of the indebtedness of the Mill City Development Company which the second parties owe, said indebtedness estimated to be the sum of Two Hundred and Twenty Thousand (\$220,000.00) Dollars, on or before June 16, 1919.

2. When or if the said first party shall secure the said sum sufficient to liquidate the entire indebtedness, as above provided, then and in such

event the second parties promise, covenant and agree to transfer and deliver to the first party in full payment for services rendered in securing such sum of money, 62% of the issued capital stock of the Nevada Humboldt Tungsten Mines Company, 62% of the issued capital stock of the Tungsten Products Company, 62% of one-half of the issued capital stock of the Mill City Development Company; that a deposit of the amount necessary to liquidate the indebtedness as herein provided, in the Wells Fargo Nevada National Bank, shall be sufficient evidence of the performance of the conditions herein for the transfer and delivery of the stock as herein provided.

IT IS MUTUALLY UNDERSTOOD AND AGREED:

A. That the said sum raised by the first party herein is a loan to the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, and not a payment for stock; and that same is to be evidenced by the issuance of redeemable preferred stock with a maximum of 7% cumulative interest, provided that said stock shall not be sold for less than 95% of par net to the Company.

B. That the second parties hereto will cause a new company to be organized, to which the assets of the companies herein described [750—142] shall be conveyed; or shall amend the present articles of the Nevada Humboldt Tungsten Mines Company and its allied companies hereinbefore

mentioned; in order to effectuate this agreement as shall be required by the first party.

C. It is agreed that in such incorporation, or in the amendment above provided, due and proper provision shall be made (1) that 80% of the Board of Directors must approve the sale of any of the property of the Company or the purchase of additional property; (2) that the cumulative voting power of the common stock shall not be taken away; (3) that the net receipts from any relief received from the United States Government under the War-Minerals Relief Act of the corporations herein mentioned or any of them, shall inure to the benefit of such new corporations as may be formed; (4) that profits shall be distributed whenever same have accumulated to the amount of Fifty Thousand (\$50,000.00) Dollars or over, after the debts are paid, unless contrary provided by a vote of 80% of the Directors; (5) and further, that the preferred stock shall be redeemed out of the profits of June 30 or December 31, of every year, whenever the sum of Fifty Thousand (\$50,000.00) Dollars is accumulated, and before any dividends are paid on the common stock.

D. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED that the performance of this agreement shall release the first party from any and all obligations to pay the purchase price of said stock mentioned in the option hereinbefore referred to.

E. IT IS FURTHER MUTUALLY COVENANTED AND AGREED that this agreement shall expire by limitation on June 16, 1919, and shall

carry with it the option hereinbefore mentioned as executed on January 16, 1919, which shall also expire by limitation on said [751—143] date, and they shall be of no further force or effect if the first party shall not have negotiated the loan and secured the money provided in Paragraph 1 hereof.

Time is the essence of this agreement, and each and every clause hereof shall bind and benefit the heirs and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 2d day of April, 1919.

(Signed) DAVID TAYLOR,
First Party.

(C. W. POOLE,
(R. NENZEL,
(H. J. MURRISH,
(L. A. FRIEDMAN,
(LENA J. FRIEDMAN,
(C. H. JONES,
(G. K. HINCH,
(J. T. GOODIN,

By R. NENZEL,
Attorney in Fact.

(V. A. TWIGG,
(J. G. HUNTINGTON,

C. W. POOLE,
Attorney in Fact.

Second Parties.

United States of America,
State of Nevada,
County of Washoe,—ss.

David Taylor being first duly sworn deposes and says that he is the Plaintiff in the above-entitled action, that he has heard read the foregoing complaint, and knows the contents thereof and that the same is true of his own knowledge except as to matters therein stated on information and belief [752—144] and as to such matters he believes it to be true.

DAVID TAYLOR.

Subscribed and sworn to before me this 9th day of August, 1919.

[Seal]

OBELINE SOUCHEREAU,

Notary Public.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co., et al. Defts. Exhibit No. "A-2." Filed Sept. 21, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Deputy. No. 2263. In the United States District Court in and for the District of Nevada. David Taylor, Plaintiff, vs. C. W. Poole, et al., Defendants. A Bill of Complaint. At Law. Filed August 16th, 1919. T. J. Edwards, Clerk. By E. O. Patterson, Deputy. A-2. Law Offices of Norcross, Thatcher & Woodburn Reno, Nevada, Attorneys for Plaintiff.

Defendants' Exhibit "A-3."

In the United States District Court, in and for the
District of Nevada.

DAVID TAYLOR,

Plaintiff,

vs.

C. W. POOLE, R. NENZEL, H. J. MURRISH, L.
A. FRIEDMAN, C. H. JONES, G. K.
HINCH, J. T. GOODING, V. A. TWIGG,
J. G. HUNTINGTON and LENA J. FRIED-
MAN,

Defendants.

ANSWER.

Comes now the defendants in the above-entitled
action and for answer to plaintiff's complaint on file
herein, admit, deny and allege as follows, to wit:

I. [753—145]

Respecting the allegations of paragraph I of said
complaint, defendants have not sufficient knowledge
or information upon which to base a belief.

II.

Defendants admit the allegations contained in
paragraph II of plaintiff's complaint, except as to
the defendant J. G. Huntington, and deny that at
the time of the commencement of this action, the
said defendant, J. G. Huntington, was a citizen or
resident of Lovelock, in said Pershing County,

III.

Respecting the allegations of paragraph III of

said complaint as above stated, the defendants have not sufficient knowledge or information upon which to base a belief as to plaintiff being a citizen and resident of the State of Colorado and therefore denies that this is a controversy between citizens or resident of different states and admits that the amount in controversy herein exclusive or interest and costs, exceeds the sum of \$3,000.

IV.

Defendants admit the allegations contained in paragraph IV of plaintiff's said complaint.

V.

Respecting the allegations of paragraph V, the defendants allege that they have not sufficient knowledge or information upon which to base a belief and therefore deny that sometime immediately or otherwise preceding the making and execution of the contract of January 16, 1919, referred to in plaintiff's complaint as Exhibit "A," there had been brought to the attention of the plaintiff, a report of the said Howland Bancroft, a mining engineer, of and concerning the mines, mines property and mining [754—146] rights of the Nevada Humboldt Tungsten Mines Company, which said report showed the amount of development which then existed upon said mining property or that the same showed that above nine thousand (9,000) tons or any other number of tons of scheelite ore of an average of 1.75% or other per cent or quality of tungstic acid had been developed or placed in sight or blocked out or ready for mining in said mining

property of the Nevada Humboldt Tungsten Mines Company.

Admit that at all of the times mentioned in said complaint, the defendants, Murrish, and Nenzel were directors of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, but deny that defendant Poole was at all or any of the times mentioned in plaintiff's complaint, or at all, a director of the said Tungsten Products Company and deny that said defendant Poole was at all the times mentioned in plaintiff's complaint, a director of the Nevada Humboldt Tungsten Mines Company and in this connection allege that the defendant Poole was not a director of said Nevada Humboldt Tungsten Mines Company at any time preceding July 2, 1919.

Deny that the defendant Poole had general charge of all mining or milling operations of said Nevada Humboldt Tungsten Mines Company or its subsidiary, the said Tungsten Products Company. Deny that the facts or truth concerning said mines and mining claims of the Nevada Humboldt Tungsten Mines Company or of the development work which had been performed or the new development work in process on and within said mines, mining claims, and mining rights of said Nevada Humboldt Tungsten Mines Company, or the amount of ore developed, placed in sight, blocked out or ready for mining in said mining property of the Nevada Humboldt [755—147] Tungsten Mines Company, at all or any of the times mentioned in said complaint, were peculiarly within the knowledge or in-

formation of any of the defendants except Poole, Nenzel and Friedman, and admit that in or about the month of March, 1919, plaintiff informed the defendants that he would not exercise his option to purchase said interests of the defendants in said corporations under said contract of January 16, 1919.

Further answering said paragraph V, defendants deny that in or about the month of March, 1919, or at any other time, or at all, the defendants Poole, Murrish and Friedman or any of them acting for themselves or for all or any of their codefendants, or otherwise, falsely or fraudulently, by means of letters or telegrams or by any other means whatsoever or at all, informed the plaintiff that further or new development work had been carried on within said mining property which had developed or placed in sight, blocked out or made ready for mining, a large or any quantity of scheelite ore of commercial or other value, capable of being concentrated or that the concentrates so returned were of great or any value.

Deny that or about April 2, 1919, the defendants, Poole, Murrish and Nenzel came to Denver, Colorado, for the purpose of inducing the plaintiff to make a new contract for the disposition of their respective interests or a part thereof or for the purpose of inducing the plaintiff to make any contract relative to said property.

Deny that said plaintiff relied upon any false or fraudulent representations of the defendants Poole, Murrish and Nenzel, or any of them, or of the

other defendants or any of them, in entering into the alleged or any contract with the defendants, and in this behalf, the defendants allege that the plaintiff and the [756—148] defendants, on or about April 2, 1919, entered into a supplemental contract whereby plaintiff undertook to raise sufficient money to pay the debts and obligations of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company for which said service the plaintiff was to receive 62% of the issued capital stock of the Nevada Humboldt Tungsten Mines Company, 62% of the issued capital stock of the Tungsten Products Company and 62% of one-half of the issued capital stock of the Mill City Development Company, which said contract was executed at Denver, Colorado; that the said plaintiff, his agents, mining engineers and representatives, at all times, commencing at a time shortly prior to January 16, 1919, and up to on or about June 1, 1919, had access to all and singular, the mines, mining claims and mining rights of the said Nevada Humboldt Tungsten Mines Company; that at the time said supplemental contract was entered into by said plaintiff on or about April 2, 1919, the said plaintiff, had actual knowledge of all and singular what development work had been carried on and performed within the mines and mining claims and property of the said Nevada Humboldt Tungsten Mines Company; that at said time said plaintiff had actual knowledge of the quantity and concentrating value of what scheelite ores had been developed, placed in sight and blocked out, and the

commercial value thereof; and that said plaintiff continued to and did have actual knowledge during the month of May, 1919, of all and singular the amount and character of said development work that had been carried on within said mines and mining claims and property of said company, and the amount of scheelite ore which had been developed, placed in sight and blocked out, and the commercial value thereof. [757—149]

Further answering the allegations contained in said paragraph V, defendants deny that the defendants, Poole, Murrish and Nenzel, or any of them acting for themselves, or as the agents of and for the other defendants, or otherwise or at all for the purpose of inducing the plaintiff to enter into said supplemental contract of April 2, 1919, or for any other purpose or at all, then and there or at any time, falsely or fraudulently or with intention to deceive said plaintiff, or for any purpose whatsoever, represented to plaintiff that when the contract of January 16, 1919, was entered into, there was blocked out, developed or in sight in said mine, about 9,000 or any other number of tons of scheelite ore carrying 1.75% or other quantity or value tungstic acid.

Deny for the alleged or any purpose, said defendants then or there or at any time or at all, falsely or fraudulently or with intent to deceive said plaintiff, or for any purpose whatsoever, represented to plaintiff that since January 16, 1919, great or additional ore bodies of equal or any grade, had been developed or that a large or any amount of new develop-

ment work had been done or performed on said mines or that there was then on said April 2, 1919 or at any time thereabouts or at all, blocked out, in sight or ready for mining or reduction into concentrates over 60,000 tons or any other amount of scheelite ore which would carry from 1.50% tungstic acid to 1.75% tungstic acid or that would carry any other value or quantity whatsoever. In this connection, defendants allege that said plaintiff, his agents, mining engineer and representatives for the period of from shortly preceding the contract of January 16, 1919, up to and including on or about June 1, 1919, at all times had access to the mines, mining claims, and mining property of said Nevada Humboldt Tungsten Mines Company, and during said period and prior to the execution of the contract [758—150] of April 2, 1919, as well as subsequent thereto, the said plaintiff personally visited, examined and inspected the quality and quantity of the scheelite ores in sight, blocked out and developed during said period of time and particularly the said period between January 16, 1919 and April 2, 1919, and had full, complete and ample opportunity to see, appraise and understand all and singular, the conditions, amount of ore, quantity and value there and all material matters pertaining to the subject matter. That during said period and particularly the period commencing on or about January 16, 1919, to on or about April 2, 1919, the said plaintiff caused all and singular the said mining claims and the property of the said Nevada Humboldt Tungsten Mines Company, and the

scheelite ores therein blocked out, in sight or developed to be examined and inspected by plaintiff's mining engineer, selected by plaintiff for that purpose. Defendants deny that any representations made by said defendants or any of them to the plaintiff, were false or untrue and deny that any representation was at any time made by said defendants or any of them for the purpose of deceiving said plaintiff or for the purpose of causing him to undertake or carry out the provisions of said supplemental contract of April 2, 1919, or at all, save as to the truth and fact of said subject matter. Deny that in truth or in fact at said time, to wit: April 2, 1919, there was opened up and developed and in sight in said mine, not to exceed 19,000 tons of scheelite ore of an average value not to exceed 1.75% tungstic acid and in this connection, defendants allege that at said time there was opened up and developed, and in sight in said mine, quantities of scheelite or greatly in excess of 19,000 tons of an average value of 1.75% tungstic acid.

VI.

Respecting the allegations of paragraph VI of plaintiff's [759—151] complaint, the defendants deny that plaintiff relied upon or believed the said alleged or any false or fraudulent representations of the defendants, so alleged to have been made on or about April 2, 1919 or at all. That respecting the remaining allegations in said paragraph, defendants have no sufficient knowledge or

information upon which to base a belief and therefore deny that said plaintiff, immediately or at all, gave partially or otherwise, his sole time or attention or any time or attention to the carrying out of the terms of said contract by which he was to raise for the benefit of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company, and the Mills City Development Company, sufficient moneys for the payment of the debts of said corporations and their outstanding obligations, and in like manner and for the reasons last above stated, defendants deny that the plaintiff attempted or endeavored to carry out said provisions of said contract for the purpose of consummating the same or that said plaintiff layed out or expended for his traveling expenses to Lovelock, Nevada, San Francisco, California, New York City and various other places or to any places whatsoever for assay maps, surveyors, expert services or mining examinations, reports, legal fees, organization fees, telegrams, telephones, or for any purpose whatsoever, the sum of \$8,820.31, or any other sum or amounts whatsoever.

VII.

Respecting the allegations of paragraph VII of plaintiff's complaint, defendants have no sufficient knowledge or information upon which to base a belief and therefore deny each and every allegation in said paragraph contained.

VIII.

Respecting the allegations of paragraph VIII of plaintiff's [760—152] complaint, the defendants

deny that on or about June 1, 1919, or at any other time, or at all, said plaintiff discovered the alleged or any falsity of the alleged, or any representations of the defendants or any of them. That as to each of the remainder of the allegations of said paragraph, defendants have no sufficient knowledge or information upon which to base a belief, and therefore deny all and singular said allegations.

IX.

Respecting the allegations in paragraph IX of the plaintiff's complaint, defendants deny that they, or any of the represented to said plaintiff on or about April 2, 1919, or at any time or at all that the net or other value of said ores over and above all expenses, costs, mining and transportation charges was \$320,000, or made any representations to said plaintiff respecting said subject matter other than according to the truth and fact thereof. Admit that the debts and obligations of said corporations on or about April 2, 1919, approximated \$150,000 and in this connection, defendants allege that the debts and obligations of said corporation at the time of the commencement of this suit, aggregated the sum of \$200,000 or thereabouts. Deny that defendants or any of them represented to said plaintiff that the net value of said mines and the stock of said corporations, after the payment of all debts, would have been about the sum of \$170,000 or that any representations whatsoever were made relative to said subject matter. Deny that defendants or any of them made

the alleged representations and therefore further deny that the net value of said mines and the stock of said companies after the payment of all debts would have been about \$170,000.

Deny that said corporations or any of them, were at the [761—153] time of the commencement of this action, insolvent, or that the total value of their assets including all ores developed, in sight and available did not on or about April 2, 1919, or at the commencement of this action, exceed the sum of \$120,000. Deny that the ore in sight in said mine on April 2, 1919, as well as at the time of the commencement of this action, had no greater value than \$70,000 and deny that the value of the stock which plaintiff alleges he would have received under the terms of said contract and to which he claims to be entitled had the alleged representations of defendants been true, would have been \$105,400 or any definite sum or amount whatsoever and in this connection defendants allege that the value of said stock, had plaintiff carried out his said agreement and received the same, is wholly conjectural, speculative and uncertain and dependent upon market and other conditions wholly beyond the control of either plaintiff or defendants.

X.

Respecting the allegations of paragraph X of said complaint, the defendants deny that by reason of or in consequence of the alleged or any false or fraudulent representations made by them or any of them to said plaintiff at the time or in the manner as

alleged in said complaint or otherwise at any time or in any manner whatsoever, said plaintiff has been damaged in the sum of \$114,579.44 or in any amount and deny that for or by reason of any matter or thing whatsoever or at all, the said plaintiff has suffered loss or damage in the sum of \$114,579.44 or in any sum or amount whatsoever or at all.

WHEREFORE: defendants pray that the plaintiff take nothing by his said complaint and action. That said complaint be [762—154] wholly disallowed and denied and that defendants have judgment against said plaintiff for all their costs and disbursements herein incurred or expended.

COOKE, FRENCH & STODDARD,
Attorneys for Defendants.

State of Nevada,
County of ———, —ss.

H. J. Murrish, being first duly sworn, deposes and says that he is one of the defendants named in the above-entitled action and makes this verification on behalf of each and all of his codefendants as well as on his own behalf; That he has read the foregoing action and knows the contents thereof, that the same is true of his own knowledge except as to those matters alleged on information and belief and as to those matters he believes it to be true.

H. J. MURRISH.

Subscribed and sworn to before me this 17th day of March, 1920.

[Seal]

ROY W. STODDARD,
Notary Public.

[Endorsed]: No. 2263. In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. C. W. Poole, R. Nenzel, H. J. Murrish et al., Defendants. Answer. Filed March 18th, 1920. T. J. Edwards, Clerk. "A-3." Cooke, French and Stoddard, Attorneys for Defendants. No. B-7. U. S. District Court, District of Nevada. David Taylor vs. Nevada Humboldt Tungsten Mines Co. et al. Defts. Exhibit No. "A-3." Filed Sept. 21, 1920. T. J. Edwards, Clerk. By E. O. Patterson, Dep.

Defendants' Exhibit "A-4."

In the United States District Court, in and for the
District of Nevada. [763—155]

DAVID TAYLOR,

Plaintiff,

vs.

C. W. POOLE, R. NENZEL, H. J. MURRISH,
L. A. FRIEDMAN, C. H. JONES, G. H.
HINCH, J. T. GOODIN, V. A. TWIGG,
J. G. HUNTINGTON and LENA J.
FRIEDMAN,

Defendants.

REPLY.

Comes now the plaintiff in the above-entitled action and for reply to the affirmative matter set forth and contained in the defendants' answer, admits, denies and alleges as follows, to wit:

I.

Replying to Paragraph V of defendants' answer, plaintiff denies that his agents, mining engineers and representatives, at all times, commencing shortly prior to January 16, 1916, and up to June 1, 1919, had access to all and singular, the mines, mining claims and mining rights of the Nevada Humboldt Tungsten Mines Company, save and except that plaintiff admits that during said period, plaintiff on one occasion, and his representative, on another, were permitted to go down in the mines, mining claims aforesaid, and the workings thereof; plaintiff denies that at the time said supplemental contract was entered into by plaintiff, on April 2, 1919, that the plaintiff had actual knowledge of all and singular, the development work that had been carried on and performed within the mines and mining claims and property of said Nevada Humboldt Tungsten Mines Company, but, on the contrary, plaintiff alleges that at all times, immediately prior to January 16, 1920, and up to and including on or about the 25th day of May, 1919, plaintiff relied upon the [764—156] representations and statements of defendants, their agents, employees, representatives and attorneys in fact as to all and singular, the condition of said mines, mining claims and mining rights and the development which had been carried on and performed within said mines and mining claims of the Nevada Humboldt Tungsten Mines Company; plaintiff denies that at all times or at said times, plaintiff had actual knowledge of the quantity and concentrating value of

what scheelite ore had been developed, placed in sight and blocked out and the commercial value thereof, but on the contrary, plaintiff alleges that the only knowledge he had of and concerning the same, between the 2d day of April and on or about the 25th day of May, was that which he received from and which was communicated to him by the defendants, their agents, employees, representatives and attorneys in fact. Plaintiff denies that he had and continued to have actual knowledge during the month of May of all and singular, the amount and character of said development work that had been carried on within said mines and mining claims and property of said company and the amount of ore which had been developed, placed in sight, blocked out and the commercial value thereof, but on the contrary, plaintiff alleges that he had no knowledge or information of the amount and character of the said development work or the amount or character of scheelite ore which had been developed, placed in sight, or blocked out, or the commercial value thereof, save and except as he received the same through representations and communications received by him from the defendants, their agents, employees, representatives and attorneys in fact, and save and except that plaintiff admits that on or about the 25th day of May, 1920, he did obtain, and [765—157] thereafter had actual knowledge of the amount and character of said development work, the amount of scheelite ore blocked out, placed in sight and developed, and the commercial value thereof.

Further replying to said Paragraph V, plaintiff denies that he, his agents, mining engineers and representatives, for a period of from shortly preceding the contract of January 16, 1919, up to on or about January 1, 1919, at all times had access to the mines and mining claims and mining property of the Nevada Humboldt Tungsten Mines Company; denies that during said period and prior to the execution of the contract of April 2, 1919, as well as subsequent thereto, plaintiff personally visited, examined and inspected the quality and quantity of scheelite ore in sight, blocked out and developed during said period of time and particularly the period between January 16, 1919, and April 2, 1919, save and except that plaintiff admits that between the 16th day of January, 1919, and the 27th day of January, 1919, plaintiff made a survey and examination of the ores blocked out and developed within the property aforesaid, and plaintiff admits that on or about the 25th day of May, he had another examination and report thereof made by a mining engineer for him of the quantity and quality of scheelite ore in sight, blocked out and developed in said mines and mining properties of the Nevada Humboldt Tungsten Mines Company.

Plaintiff also admits that on one occasion, between the 2d day of April and the 25th day of May, he was in the mines and mining claims of the Nevada Humboldt Tungsten Mines Company, but denies that he examined and inspected the quality and quantity of the scheelite ores in sight, blocked out and developed in said mines. On the contrary,

plaintiff alleges that at [766—158] said time, and at all other times, he relied upon and believed the representations made to him by the defendants, their agents, representatives and attorneys in fact as to the quality and quantity of scheelite ore in sight, blocked out and developed in said mines at the times mentioned in said answer, and at all other times, save and except as reported to him by his mining engineer, at the times hereinbefore mentioned.

Plaintiff denies that he caused all and singular, said mining claims and property and the scheelite ores therein blocked out, in sight, or developed, to be examined and inspected by plaintiff's mining engineer, selected by plaintiff for that purpose, save and except as hereinbefore mentioned.

Plaintiff further denies that on April 2d, there was opened up and developed and in sight in said mines and mining properties of the Nevada Humboldt Tungsten Mines Company, quantities of scheelite ore, greatly, or at all, in excess of 19,000 tons, of an average value of 1.75% tungstic acid.

II.

Replying to the allegations in Paragraph IX of defendant's answer, plaintiff has not sufficient information with which to answer the allegations in said answer, wherein it is stated that the debts and obligations of said corporations at the time of the commencement of this suit aggregated the sum of \$200,000.00 or thereabouts, and therefore, upon said grounds, denies that at the time of the commencement of this suit, the aggregate debts and obliga-

tions of said corporations exceeded the sum of \$200,000.00 or any other sum or amount larger or greater than \$165,000.00. [767—159]

WHEREFORE, plaintiff prays judgment in his favor, according to the prayer of plaintiff's complaint,

HOYT, NORCROSS, THATCHER, WOOD-
BURN & HENLEY,

Attorneys for Plaintiff.

United States of America,
State of Nevada,
County of Washoe,—ss.

George B. Thatcher, first being duly sworn, deposes and says: That he has read the foregoing Reply and knows the contents thereof; that the same is true to the best knowledge, information and belief of affiant; that affiant makes this verification on behalf of the plaintiff for the reason that the plaintiff is absent from the State of Nevada where his said attorneys reside.

GEO. B. THATCHER.

Subscribed and sworn to before me this 9th day of April, 1920.

[Seal]

BENJ. J. HENLEY,
Notary Public in and for the County of Washoe,
State of Nevada.

[Endorsed]: No. 2263. "A-4." In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. C. W. Poole, R. Nenzel, et al, Defendants. Reply. Filed this

12th day of April, 1920. T. J. Edwards, Clerk.
 Hoyt, Norcross, Thatcher, Woodburn & Henley,
 Reno, Nevada, Attorneys for Plaintiff. "A-4."
 No. B-7. U. S. District Court, District of Nevada.
 David Taylor vs. Nevada Humboldt Tungsten Mines
 Co. et al., Defts. Exhibit No. "A-4." Filed Sept. 21,
 1920. T. J. Edwards, Clerk. By E. O. Patterson,
 Deputy. "A-4."

Defendants' Exhibit "A-5."

Lovelock, Nev., Dec. 15/1919. No. 1178.
 Nevada Humboldt
 Tungsten Mines Co.
 FIRST NATIONAL BANK OF LOVELOCK.
 94-28.

FNB.

Pay to Norcross, Thatcher & Woodburn, or Order,
 \$1000.00 One Thousand Dollars.....Dollars.

23-2.

NEVADA HUMBOLDT TUNGSTEN
 MINES COMPANY.

R. NENZEL,
 Secretary.

L. A. FRIEDMAN,
 President.

[Endorsed]: Pay to the order of David Taylor.
 Norcross, Thatcher & Woodburn. Pay to order of
 The Colo. National Bank. David Taylor. Pay
 Denver Branch Federal Reserve Bank of this City,
 or Order, Prior Endorsements Guaranteed. Colo-
 rado National Bank. 23-2, Denver, Colo. 23-2.
 Jan. 2, 1920. Pay Any Bank, Banker or Trust

Co. or Order. Prior Endorsements Guaranteed. Denver Branch Reserve Bank of Kansas City. 23-19. 1137. Pay to the Order of any Bank, Banker, Trust Co. or Federal Reserve Bank. Jan. 6, 1920. Prior Endorsements Guaranteed. Federal Reserve Bank of San Francisco. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. A05. Filed Sept. 22, 1920. T. J. Edwards, Clerk. "A-5." [768—160]

Defendants' Exhibit "A-6."

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY,

Lovelock, Nevada.

Part payment in settlement of suit of David

Taylor vs. Nevada Humboldt Tungsten

Mines Company,1000.00

1000.00

Extensions correct—C. H. J. Examined and found
correct ———.

Prices Correct ———. Approved for Payment
———.

Received —— 191—, of ——, ONE THOUSAND
AND no/100.....Dollars.
in full of above account.

DAVID TAYLOR.

By. NORCROSS, THATCHER & WOODBURN.

"A-6."

Please date and sign this voucher and return to
above address. If amount is not satisfactory, re-
turn all papers for correction.

[Endorsed]: No. 1178. Nev. Humboldt Tungsten M. Co. Receipt Voucher. Receipt of Norcross, Thatcher & Woodburn, Reno, Nevada. Distribution. Accounts Payable. \$1000.00. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. H. T. M. Co. et al. Defts. Ex. "A-6." Filed Sept. 22, 1920. T. J. Edwards, Clerk. Total \$1000.00. Month December—, 1919. "A-6."

Defendants' Exhibit "A-7."

**FIRST NATIONAL BANK
OF LOVELOCK.**

FNB.

94-28.

Lovelock, Nevada, Feb. 9, 1920. No. 3229.

Pay to the order of Gibbons, French & Stoddard
..... \$6334.04.

Sixty Three Hundred Thirty Four Dollars, Four
Cents—Dollars,

To THE RENO NATIONAL BANK,
RENO, NEVADA.

94-3.

V. A. TWIGG,

A Cashier. [769—161]

[Endorsed]: Pay to order of Norcross, Thatcher & Woodburn. Gibbons, French & Stoddard. Norcross, Thatcher & Woodburn. By Frank H. Norcross. "A-7." No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T M. Co. et al. Defts. Ex. "A-7." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-8."

Lovelock, Nev., Oct. 7/191. No. 1243.

**THE FIRST NATIONAL BANK
OF LOVELOCK.**

FNB.

94-28.

Pay to First National Bank or order \$6334.04—
Sixty Three Hundred Thirty Four Dollars, Four
Cents—Dollars.

**NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.**

R. NENZEL,
Secretary.

L. A. FRIEDMAN,
President.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist.
Nevada. Taylor v. Nev. Hum. T. M. Co. et al.
Defts. Ex. "A-8." Filed Sept. 22, 1920. T. J. Ed-
wards, Clerk. "A-8."

Defendants' Exhibit "A-9."

Nevada Humboldt Tungsten Mines Company,
Lovelock, Nevada.

Balance due ~~on note favor~~, David Taylor

a/c 6334 04

Settlement Taylor vs. Nevada Humboldt
Tungsten Mines Co. et al. as per agree-
ments and stipulations.

6334 04

Extensions correct—C. H. J. Examined and found
correct——.

Prices Correct——. Approved for Payment
——.

Received Feb. 13, 1920, of——, Sixty three Hundred Thirty Four and 04/100 Dollars, in full of above account.

NORCROSS, THATCHER & WOODBURN.

By FRANK H. NORCROSS.

Please date and sign this voucher and return to above address. If amount is not satisfactory return all papers for correction. [770—162]

[Endorsed]: No. 1243. Nevada Humboldt Tungsten Mines Company. Receipt Voucher. Receipt of Norcross, Thatcher & Woodburn, Reno, Nevada. Distribution Accounts Payable 6334 04. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. Tungsten M. Co. et al. Defts. Ex. "A-9." Filed Sept. 22, 1920. T. J. Edwards, Clerk. Total 6334.04. Month February 1920. "A-9."

Defendants' Exhibit "A-10."

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, both Nevada corporations, are indebted in various sums, aggregating approximately \$111,493.96, as per audit made by Haskins & Sells, as of April 30, 1919, and in the sum of approximately \$32,674.88, which accrued since April 30, 1919, which latter amount includes approximately \$5000.00 for supplies still on hand for operation of their plants during the succeeding months, making a total indebtedness of approximately \$144,168.84, in ad-

dition to the sum of about \$35,000.00, due the Wells Fargo Nevada National Bank, of San Francisco, the latter being secured by thirty-five tons of tungsten concentrates, and \$18,000.00, face value, of Liberty Bonds.

AND WHEREAS, the said Companies have on hand about twenty-five tons of sixty per cent tungsten concentrates and estimate that an additional twenty tons will be produced from their properties by July 1, 1919, making a total of approximately forty-five tons of tungsten concentrates that will be available for sale by July 1, 1919; and said Companies have presented to the Government of the United States their claims for relief under the War Minerals Relief Bill, which, upon payment, will also be available for the creditors, [771—163]

AND WHEREAS, a meeting of the creditors of said Companies was held on June 7, 1919, at San Francisco, California, at which a large representation of creditors was present, and at which meeting said creditors selected a committee, consisting of Edson F. Adams, of Nevada Valleys Power Company, H. B. Warden, of Redwood Manufacturers Company, J. T. Goodin, of First National Bank, of Lovelock, Nevada, and of Continental National Bank, of Salt Lake City, Utah, R. H. Rowlands, of Verdi Lumber Company, and K. Freitag, of Freitag & Ainsworth, to represent them in the adjustment and liquidation of the creditors' claims.

AND WHEREAS, it is believed by the officers of said debtor Companies, and the committee of

the creditors, that the indebtedness of said Companies can be liquidated by the operation of their properties and plants, by a trustee, appointed for the benefit of the creditors and the sale of the tungsten concentrates on hand and that may be produced from their properties during the balance of the year 1919.

AND WHEREAS, the Mill City Development Company, a Nevada corporation, controls the water, pumping plants and pipe lines, used for operating the properties and plants of the above-named debtor Companies, and one-half of the capital stock of said Mill City Development Company is owned by the said Tungsten Products Company, and the remaining one-half thereof is owned by the Pacific Milling Company; and that the said Mill City Development Company is indebted in the sum of approximately \$20,662.32, one-half of which is a liability of the said Tungsten Products Company, and must be met, by said Mill City Development Company, in order to liquidate, the indebtedness of said Tungsten Products Company and to permit the operation of the properties and plants of the [772—164] above-named debtor Companies.

AND WHEREAS, practically all of the creditors of said debtor Companies have agreed to extend the time for the payment of their indebtedness, for six months, from July 1, 1919, if a trustee is appointed to operate said properties and plants, for the remainder of the year 1919, for the benefit of said creditors.

NOW THEREFORE, we, the said Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, do, and each of us does, hereby make, constitute and appoint James T. Goodin, of Lovelock, Nevada, a trustee for the benefit of said creditors for the following uses and purposes:

To take charge of, direct and operate our, and each of our properties and plants, and also our right to operate the properties and plants of the Mill City Development Company, all of which are situate at Mill City, Pershing County, Nevada, and to sell and dispose of, for such sum, and upon such terms and conditions as he may deem proper, all tungsten concentrates now on hand, and that may be produced, from said properties, during the balance of the year, 1919; to collect and receive any and all moneys that may become due or payable to us, or either of us, from the Government of the United States under the War Minerals Relief Bill; to sell, upon such terms and conditions as he may deem proper, and with the authority and consent of Wells Fargo National Bank of San Francisco, the tungsten concentrates now held by it as security, and to pay Wells Fargo Nevada National Bank, from such sale or sales, the amount due to it, and to apply any balance remaining for the benefit of creditors, as herein provided. [773—165]

That he shall, during the continuance of this trust, have full and complete power and authority to direct the operation of all of said properties and plants, and to incur such indebtedness, in their operation, as he may deem necessary and proper;

to collect all accounts and to receive all moneys that may become due or payable to us; to have and exercise all of the rights and privileges which our, or either of our, companies have, under agreements with the Mill City Development Company and the Pacific Milling Company, or with either of them, and with any other Company or Companies, regarding the use of the water, pumping plants, and pipe lines, controlled by the Mill City Development Company, and which are used directly or indirectly for the operation of our properties and plants, and in that behalf to pay, from the moneys received by him, as such trustee, the proportion of the operating expenses which is provided for in said agreements, or any thereof; and said trustee shall have and exercise all of the rights and privileges which we, or either of us, now have under any and all agreements for the operation of our, or either of our, properties and plants, or any part thereof.

That the proceeds from the sale of the forty-five tons of tungsten concentrates to be available by July 1, 1919, shall first be applied in the payment of the operating costs, incurred during the months of May and June, 1919, and the balance thereof, and also the net proceeds from all tungsten concentrates produced thereafter, and during the balance of the year 1919, from said properties, and any moneys received by him for our, or either of our, use and benefit, from the Government of the United States, under the War Minerals Relief Bill, or from any other source, shall be paid by him to all of [774—166] said creditors pro rata, includ-

ing the liability for the debts of the Mill City Development Company, as herein provided; that he shall, from time to time, and whenever there is a surplus on hand, from any of the sources aforesaid, declare a dividend upon such amount thereof as may not, in his judgment, be required for operating expenses and payrolls, and pay the same to all of said creditors *pro rata*, and he shall declare, and pay, all of said creditors a dividend whenever there has accumulated sufficient moneys not, in his judgment required for operating expenses and payrolls, to pay all of said creditors ten per cent, or more, on account of their said claims; provided, however, that he shall set apart in a separate fund the proportion of said moneys that are payable as a liability of the Tungsten Products Company towards the indebtedness of the Mill City Development Company, and shall pay the same to the Mill City Development Company upon an assessment or by voluntary contribution on the part of all of its stockholders of any amount up to the amount then available in such fund, with the distinct understanding that said moneys shall then be distributed *pro rata* among the creditors of the Mill City Development Company.

That said trustee is also authorized and empowered to pay, from the moneys received by him, as aforesaid, interest upon the notes of the debtor companies now outstanding, as provided therein, and also to pay interest, at the rate of six per cent per annum, from April 30, 1919, until paid, upon

all claims that were due on or prior to April 30, 1919, and which are not evidenced by notes.

That on or before the 10th day of each month, the said trustee shall deliver to the committee of said creditors a statement, showing the tungsten concentrates produced, sold, [775—167] and on hand, the amount realized therefrom, and all operating and other costs and expenses; that said statement, or a copy thereof, shall be kept on file, in the office of Messrs. Freitag & Ainsworth, Hobart Building, San Francisco, California, for the benefit of the creditors, and any of said creditors shall have the right to examine the same.

That the committee of said creditors shall, at all times, during the continuance of this trust, have the right to demand and receive any information they may desire regarding the operations of said properties, or the status of this trust.

That the power and authority hereby conferred upon and vested in said James T. Goodin, as such trustee, shall continue from the date hereof until and including December 31, 1919, unless the debts of all of said creditors are liquidated and discharged before that time,—the said debtor Companies hereby reserving the right to pay all of said creditors before December 31, 1919; and that upon the payment, in full, of the claims of all of said creditors, prior to December 31, 1919, said trust shall terminate and end, otherwise it shall continue in full force and effect from the date hereof to and including December 31, 1919.

That the said trustee shall have full power and authority to make and enter into agreements, of every kind and character, that he may deem necessary or essential to effectuate any of the purposes aforesaid; and that there shall be no personal liability against said trustee for any act or thing done by him in good faith in his exercise of the power and authority hereby conferred upon him.

That said trustee shall receive the sum of \$150.00 a month, as and for his necessary expenses in the performance [776—168] of this trust, and he may also pay out of said trust moneys such reasonable sum as he may deem necessary and proper for legal services.

That in case of the resignation, death or incapacity of said James T. Goodin, then, and in any of said events, the committee selected by the creditors as aforesaid, or a majority of them, shall have the exclusive power and authority to select his successor.

IN WITNESS WHEREOF, we have caused these presents to be executed this 23d day of June, 1919, in our corporate names, and under our corporate seals, by our respective officials thereunto duly authorized.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY,

(Seal) By L. A. FRIEDMAN, Pres.

By R. NENZEL, Sec.

TUNGSTEN PRODUCTS COMPANY,

(Seal) By L. A. FRIEDMAN, Pres.

By R. NENZEL, Sec.

I hereby accept the above and foregoing trust.

J. T. GOODIN.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Appointment of J. T. Goodin as Trustee, June 23/19. Defts. Ex. "A-10." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-11."

THIS AGREEMENT, this day made and entered into by and among the parties signatory hereto,

WITNESSETH: [777—169]

WHEREAS, the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, all Nevada corporations are indebted in various sums to numerous creditors; said claims aggregating approximately One Hundred and Sixty Thousand (\$160,000.00) Dollars, and

WHEREAS, of these creditors the following claims are not due and will not become due until after June 20th, 1919, to wit:

Bowie Switch Company.....	\$ 187.50
Ingersoll Rand Co. of Calif.....	4107.77
Sullivan Machinery Co.....	1871.30
Paraffine Paint Co.....	351.00
Giant Powder Co.....	475.20
Boston Belting Co.....	69.25
Freitag & Ainsworth.....	3600.00
Red River Lumber Co.....	1059.15

Isaac Upham Co.....	48.61
Allis Chalmers Co.....	1576.20
Meese Gottfried Co.....	5000.00
Redwood Manufacturing Co.....	12234.41

Total.....\$30,580.39—and

WHEREAS, a meeting with said creditors of said companies was held in the Hobart Building in San Francisco on June 7th, 1919, at which a large representation of said creditors was present and selected a committee to represent them consisting of Edson F. Adams, representing the Nevada Valley Power Company, H. B. Worden, representing the Redwood Manufacturers Company; J. T. Goodin, representing the First National Bank of Lovelock and the Continental National Bank of Salt Lake; R. H. Rowlands, representing the Verdi Lumber Company, and K. Freitag representing Freitag and Ainsworth, and

WHEREAS, it was the intent and purpose of such meeting and of this agreement to aid and assist said companies in so far as possible in an adjustment of their affairs to the end that said debts and all of them be liquidated and paid in full, and [778—170]

WHEREAS, for that purpose an extension of time for the payment of said indebtedness is desired by said companies and agreed to by said creditors.

NOW THEREFORE, we the undersigned in consideration of the premises and of the promises of each other do hereby jointly and severally promise and agree among ourselves and with each other, and

with J. T. Goodin, Edson F. Adams, H. B. Worden, R. H. Rowlands and K. Freitag, the Committee of said Creditors as aforesaid that we jointly or severally will not commence or file any suit or action, or in any other manner attempt, to enforce the payment of ours or either of our claims against the said Nevada Humboldt Tungsten Mines Company, the said Tungsten Products Company, or the said Mill City Development Company, any or all of them, prior to the 17th day of June, 1919, provided however that this agreement shall not be of any force or effect unless or until same shall have been signed by bona fide creditors representing ninety (90%) per cent of the debts of said companies.

Dated June 9th, 1919.

FIRST NATIONAL BANK LOVELOCK.

By J. T. GOODIN, Cashier.

REDWOOD MANUFACTURERS CO.

By H. B. WORDEN,

Vice-President.

NEVADA VALLEYS POWER CO.

By EDSON F. ADAMS, Prest.

VERDI LUMBER CO.

By R. H. ROWLAND, Manager.

FREITAG & AINSWORTH.

By K. FREITAG. [779—171]

SULLIVAN MACHY. CO., Pr.

Per R. P. M. SCOTT.

BOSTON BELTING CORPORATION.

Per JAS. T. CAREY.

GENERAL ELECTRIC COMPANY.

J. V. ANTHONY.

WESTINGHOUSE ELEC. & MFG. CO.

C. E. THOMPSON.

THE GIANT POWDER CO. CONS.

B. O. DONNELL.

W. A. PLUMMER MFG. CO.

W. B. MORRIS.

HOLABIRD ELECTRICAL CO.

E. J. DUGGAN.

H. N. COOK BELTING CO.

MILLIN H. COOK, Pres.

C.

ELECTRIC APPLIANCE COMPANY.

H. Z. WEIFEL.

UNION CARBIDE SALES CO.

J. E. DEMPSEY.

THE DENVER ROCK DRILL MFG. CO.

By E. F. GLASSBROOK.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Agreement—First National Bank, Lovelock, Redwood Mfg. Co., and Others, June 19/19. Defts. Ex. "A-11." Filed Sept. 22, 1920. T. J. Edwards, Clerk. "A-11."

Defendants' Exhibit "A-12."

THIS CONTRACT, made and entered into this sixteenth day [780—172] of August, one thousand nine hundred and nineteen, by and between NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of

Nevada, and TUNGSTEN PRODUCTS COMPANY, also a Nevada corporation, the parties of the first part, and W. J. LORING, of the City and County of San Francisco, State of California, the party of the second part,

WITNESSETH:

That the parties of the first part, for and in consideration of the sum of One (\$1.00) Dollar, lawful money of the United States, to them paid by the party of the second part, the receipt whereof is hereby admitted, and in consideration of the moneys to be paid by the party of the second part at the times and in the manner hereinafter provided, do by these presents covenant and agree with the party of the second part to sell, assign, grant, convey and set over unto the said party of the second part, and his heirs and assigns, and the party of the second part hereby agrees to buy all of the real and personal property now owned by the parties of the first part, including all rights, easements, contracts for power, capital stock of other corporations owned by the parties of the first part, or by either of them, and in brief every article of real, personal or mixed property, of every kind and description, now owned by the parties of the first part, or either of them (excepting only the books and corporate records of the parties of the first part) and expressly including the following real and personal property to wit:

REAL PROPERTY:

All those certain mining claims and mineral bearing lodes, veins and deposits situated in an unknown

mining district, [781—173] in the County of Pershing, formerly County of Humboldt, State of Nevada, described as follows:

The Gross Mine No. 2, Gross Mine No. 3, White Rock Mine and Sky High, lode mining claims, situated about seven miles northwest of Mill City station, on the Southern Pacific Railroad, copies of the location notices of which were duly recorded in the office of the County Recorder of said Humboldt County, in Book "S" of Notices, at page 502, reference to which said records for purposes of greater certainty of description is hereby expressly made, being the same property described in that certain Deed thereof to Nevada Humboldt Tungsten Mines Company, a Nevada corporation, dated February 17, 1917, and recorded in Book 53 of Deeds, page 146, records of the County Recorder of said Humboldt County, State of Nevada;

Together with all the dips, spurs and angles, leads, lodes, metals, ores, gold, silver and tungsten bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed;

Also, that certain lot, piece or parcel of land situated in the County of Pershing, (formerly the County of Humboldt, State of Nevada, and described as follows, to wit:

Beginning at the East quarter corner of Section Twenty Seven (27) Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence South, along the East

line of said Section, to the Southwest corner thereof; thence west, along the South line of said Section, to the South quarter corner thereof; thence northwesterly, in a straight line, to the place of beginning, containing eighty (80) acres, according to the United [782—174] States Public Surveys; together with all the rights, privileges and appurtenances thereunto belonging or in any wise appertaining. Being the same ground deeded to the Nevada Humboldt Tungsten Mines Company, a Nevada corporation, in that certain deed, dated April 25, 1918, recorded in Book 53, Page 76, of Deeds, records of the office of the County Recorder of said County of Humboldt, State of Nevada;

Also, that certain piece or parcel of land lying situate and being in the County of Pershing (formerly County of Humboldt), State of Nevada, more particularly described as follows:

Beginning at the Southwest corner of Section Twenty-seven (27), Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence North one hundred feet; thence east five hundred (500) feet; thence south six hundred (600) feet; thence west six hundred (600) feet; thence north five (500) hundred feet; thence east one hundred (100) feet, to the place of beginning. Being the same property described in that certain Deed thereof to Tungsten Products Company, a Nevada corporation, described in Book 1 of Deeds, page 18, official records in the office of the County Recorder of Pershing County, State of Nevada, to which said record

reference is hereby expressly made; together with the mill, plant, improvements, tenements and hereditaments thereon, and all the rights, privileges, easements and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed;

Also, that certain easement for the flow of tailings from the mill, or any other plant or structure, on, or that may be constructed on, said last above described tract flowing on or [783—175] over the northeast quarter of Section Thirty-five (35), Township Thirty-four (34) North, Range Thirty-four (34) east, Mt. Diablo Base and Meridian; together with all the rights, privileges and franchises thereto incident appendant, and appurtenant, or therewith usually had and enjoyed. Being the same easement described in that certain Deed thereof recorded in Book 1 of Deeds, page 20, official records in the office of the County Recorder of the County of Pershing, State of Nevada, to which said record reference is hereby expressly made;

PERSONAL PROPERTY.

And also, all of the personal property of every kind and description owned by the parties of the first part and each of them, including all of the issued capital stock of the Mill City Development Company owned by said parties of the first part, or either of them, with the Certificates representing the same properly endorsed in blank, and all ore in dumps, at the mill or in the mine; all buildings erected upon any of the lands hereinbefore described; all tungsten concentrates including all

concentrates in the mill or elsewhere owned by either of the parties of the first part and all concentrates in the possession of the party of the second part, the Pacific Tungsten Company, or Wells Fargo Nevada National Bank of San Francisco, and including all moneys due upon concentrates heretofore sold by either of the parties of the first part to the Western Ore Purchasing Company of Reno, Nevada; all mills, machinery, concentrating tables, engines, compressors, motors, belting, cables, hoists, and every other article of machinery or equipment, which is now situated on the property of the parties of the first part or either of them above described, or in the concentrating mill thereon, or elsewhere; all mine cars, track, buckets, skips, [784—176] drilling steel, jackhammers, stoping or drilling machinery of every kind and description and all of the tools and implements used in or about the mine and mill owned by the parties of the first part, or either of them, including all picks, shovels, blacksmith tools and equipment, carpenters and mill wrights' tools; all wagons and trucks; all mine and mill supplies of every kind, wheresoever situated, including powder; all boarding-house and bunk-house furnishings and equipment; and in brief every article of personal property including credits owned by the parties of the first part, or either of them, excepting only their books, corporate seal, and records, and except any item of cash in bank above the amount of \$195.46; and except supplies now at Mill City amounting to \$1106.25 (being

the following items: Baker, Hamilton & Pacific Co., \$3.27, \$25.78, and \$19.10; The Gallagher Machinery Co., \$120.00; The Giant Powder Co., \$813.40; Allis-Chalmers Mfg. Co., \$353.60, and the Stearns-Roger Co., \$71,10).

The parties of the first part also agree to sell, assign, transfer and set over unto the said party of the second part, and his assigns, all of their right, title, interest, claim or demand in, to, or of any and all moneys which may hereafter be found to be due to them, or to either of them, from the Government of the United States by reason of any claim for relief which they, or either of them, have filed or presented under that certain act of Congress of the United States known as the War Minerals Relief Act.

The said party of the second part hereby covenants and agrees to pay or cause to be paid to the parties of the first part as the full purchase price of the entire properties of the parties of the first part as above described, including said right to moneys [785—177] by reason of said War Minerals Relief Act, the sum of Three Hundred Thirty-three Thousand Three Hundred Thirty-three and Thirty-three One-hundredths (\$333,333.33) Dollars, in lawful money of the United States at the times and in the manner following:

The sum of Fifty Thousand (\$50,000.00) Dollars on or before September 1st, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the first day of October, 1919;

The further sum of Fifty Thousand (\$50,000.00)

Dollars on or before the fifteenth day of November, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the twenty-seventh day of December, 1919;

The further sum of Thirty-three Thousand Three Hundred Thirty-three Dollars and Thirty-three cents (\$33,333.33) on or before the 4th day of February, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of May, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of August, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of November, 1920; and

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of February, 1921.

All payments of the installments of the purchase price above set forth shall be made in cash, or by certified check, or by cashier's check, or bank telegraph transfer, to the credit of the parties of the first part, at the First National Bank of Lovelock, Nevada, by payment thereof to its Cashier, J. T. Goodin, who is Trustee for the creditors of said parties of the first part, who shall, first pay off the loan of Ten Thousand (\$10,000.00) Dollars procured to pay off labor claims, and shall thereafter pay out said [786—178] installments so re-

ceived to said respective creditors in accordance with his trust, but the payment thereof by said party of the second part to said Cashier and Trustee, or his successor as such, shall be a complete performance by said party of the second part of the payment of each installment so paid, and said party of the second part shall not be obligated to ascertain whether said payments by said Cashier or Trustee shall have been properly distributed.

IT IS FURTHER UNDERSTOOD AND AGREED that the said party of the second part shall receive credit upon the installment of the purchase price falling due on the first day of September, 1919, for the sum of Thirteen Thousand One Hundred Fifty-eight and fifty-two one hundredths (\$13,158.52) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines Company assigned by Rochester Mines Company, a Nevada corporation, to the party of the second part, and also for the sum of Four Thousand Two Hundred Eleven and sixty-two one hundredths (\$4211.62) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines Company, assigned by Rochester Combined Mines Company, a Nevada corporation, to the party of the second part; said claims or accounts now being the property of the party of the second part and due and owing to him.

IT IS EXPRESSLY COVENANTED AND AGREED that the party of the second part shall, upon the execution of this contract, have imme-

diate possession of the properties above described, and all thereof and the right to conduct and operate said properties, and extract, ship, reduce and sell ore and concentrate therefrom, and shall apply the net proceeds of any concentrates derived from such operation by the party of the second part, first, to the payment of the debts of the corporation herein set forth, obtaining credit therefor upon the installments of the purchase price in the manner [787—179] herein set forth, and thereafter shall have the right to apply such net proceeds upon said installments of the purchase price as may then remain.

IT IS FURTHER AGREED that the party of the second part, or his assigns, shall have the right to collect all of the accounts and bills receivable due to said parties of the first part, or either of them, and to sell any of the tungsten concentrates covered by this agreement and any tungsten concentrates produced through the operation by him of any of said properties, and shall apply any moneys collected thereunder, whether out of account due said parties of the first part, or either of them, or collected from bills receivable, due, or otherwise, and all moneys derived from the net proceeds of concentrates so sold shall be paid over and apply upon the purchase price of said properties and in payment of the installments as the same become due and said party of the second part shall receive credit therefor upon the next installment falling due after the payment thereof.

In case of any default in the payment of any of said installments of the purchase price when due, then, at the option of said parties of the first part, this agreement shall terminate and be of no further force and effect, and said parties of the first part shall not be obligated to do anything further thereunder, and they shall be entitled to retake possession of said real property, together with any personal property thereon, and to retain any payments hereunder theretofore made as full and liquidated damages for the failure of the party of the second part to complete this agreement, and for rentals for the use and occupation thereof and, for damages caused by the extraction of ore therefrom and its change of appearance resulting therefrom and otherwise, but the option set [788—180] forth in this paragraph shall not be deemed to abridge any right to which the parties of the first part may be entitled under the provisions of this agreement.

The parties of the first part further covenant that within seven days from the date of this contract they will make and execute and deliver to the party of the second part or his assigns, good and sufficient deeds conveying all of the real property owned by the parties of the first part and each of them, and will also make, execute and deliver good and sufficient bills of sale conveying all of the personal property owned by the parties of the first part and each of them, and also good and sufficient assignments of the various contract, franchises, rights or easements and capital stock

of other corporations which the parties of the first part or either of them may own. Simultaneously with the delivery of said deeds to the party of the second part, by the parties of the first part, the party of the second part shall make, execute and deliver to the order of said parties of the first part, a properly executed mortgage containing the usual covenants covering the real property described in the deeds from each of said parties of the first part to the party of the second part, securing to said parties of the first part the payment of the installments of the purchase price of all of the properties at the dates and in the place set forth in this agreement. Said mortgage shall also contain a clause covering the liquidation of creditor's claims as herein set forth.

Time shall be of the essence of this agreement but there shall be a five days' grace allowed on the date set for the payment of each installment before the party of the second part shall be considered to be in default thereon.

It is further stipulated and agreed that this contract [789—181] shall run in favor of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties; and it is further agreed that the party of the second part shall have the right and power to assign this contract.

IN WITNESS WHEREOF the said Nevada Humboldt Tungsten Mines Company has by resolution of it's Board of Directors caused it's corpo-

rate name to be hereto subscribed by it's President and Secretary and it's corporate seal to be hereto affixed and said Tungsten Products Company has also, by resolution of it's Board of Directors, duly adopted, caused its corporate name to be hereto subscribed by it's President and Secretary and it's corporate seal to be hereto affixed, and the party of the second part has hereunto set his hand, in duplicate, the day and year first above written.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

(Seal) Attest: R. NENZEL,
Secretary.

TUNGSTEN PRODUCTS COMPANY.

By L. A. FRIEDMAN,
President.

(Seal) Attest: R. NENZEL,
Secretary.

W. J. LORING.

I hereby approve the foregoing contract on behalf of the Creditors of the parties of the first part and consent to the same.

J. T. GOODIN,
Trustee for Creditors.

State of Nevada,
County of Pershing,—ss.

On this 16th day of August, 1919, personally appeared [790—182] before me Booth B. Goodman, a

Notary Public in and for Humboldt County, Nevada
J. T. Goodin, known to me to be the same person
who executed the foregoing instrument as trustee
for the creditors of Nevada Humboldt Tungsten
Mines Company and Tungsten Products Company,
Nevada corporations, who acknowledged to me that
he executed the same freely and voluntarily and for
the uses and purposes therein mentioned as such
trustee.

IN WITNESS WHEREOF I have hereunto set
my hand and affixed my Official Seal this 16th day
of August, 1919.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

State of Nevada,
County of Pershing,—ss.

On this 16th day of August, 1919, personally
appeared before me Booth B. Goodman, a Notary
Public in and for Humboldt County, Nevada, W. J.
Loring known to me to be the same person
described in and who executed the foregoing instru-
ment, who acknowledged to me that he executed
the same freely and voluntarily and for the uses
and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set
my hand and affixed my official Seal the day and
year, in this certificate, first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

State of Nevada,
County of Pershing,—ss.

On the 16th day of August, A. D. 1919, personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, Nevada, L. A. Friedman, known to me to be the President of the Nevada Humboldt Tungsten Mines Company, the corporation that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to the said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation, as indicated under said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(Seal)

BOOTH B. GOODMAN.

Notary Public in and for the County of Humboldt,
State of Nevada. [791—183]

State of Nevada,
County of Pershing,—ss.

On the 16th day of August, A. D. 1919, personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, Nevada,

L. A. Friedman, known to me to be the President of the Tungsten Products Company, the corporation that executed the foregoing instrument and upon oath did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation, as indicated under said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(Seal)

BOOTH B. GOODMAN,

Notary Public in and for the County of Humboldt,
State of Nevada.

KNOW ALL MEN BY THESE PRESENTS:
That the undersigned, being the owners of more than ninety five per cent (95%) of the total authorized capital stock of the Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby approve and ratify the foregoing and attached contract made and entered into by said Nevada Humboldt Tungsten Mines Company on the one part and W. J. Loring on the other part; and we do hereby ratify, approve and confirm the acts of the President and Secre-

tary of the above corporation in executing the said contract on behalf of said Nevada Humboldt Tungsten Mines Company.

IN WITNESS WHEREOF, we have hereunto set our hands this sixteenth day of August, A. D. 1919.

L. A. Friedman	Owning	91,640 Shares
[792—184]		
Lena J. Friedman	Owning	250,000 Shares
R. Nenzel	Owning	102,000 Shares
G. K. Hinch	Owning	10,000 Shares
H. J. Murrish	Owning	101,000 Shares
C. H. Jones	Owning	100,000 Shares
John G. Huntington	Owning	50,000 Shares
By R. Nenzel, Atty. in fact.		
Frank Carlstrom	Owning	60,000 Shares
C. W. Poole	Owning	219,160 Shares
V. A. Twigg		3,000 Shares
J. T. Goodin		5,000 Shares

State of Nevada,
County of Humboldt,—ss.

On this 16th day of August, A. D. one thousand nine hundred and nineteen personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of John G. Huntington and acknowledged to me that he subscribed the name of the said John G. Huntington thereto as principal, and his own name as attorney in fact, freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 16th day of August, A. D. one thousand nine hundred [793—185] and nineteen, personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, L. A. Friedman, Lena J. Friedman, R. Nenzel, G. K. Hinch, H. J. Murrish, C. H. Jones, Frank Carlstrom, C. W. Poole and V. A. Twigg and J. T. Goodin, known to me to the persons described in and who executed the foregoing instrument who severally acknowledged to me that he executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Pershing, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada, Acting in Pershing County.

I, R. Nenzel, Secretary of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the

State of Nevada, do hereby certify that the persons whose names are signed to the attached retification of stockholders of the Nevada Humboldt Tungsten Mines Company are the owners of more than ninety-five (95%) per cent of the total authorized capital stock of said corporation standing in their names on the books of said corporation on this date, and are each the owners of the number of shares set opposite their respective names.

IN WITNESS WHEREOF I have hereunto set my hand as secretary of said Nevada Humboldt Tungsten Mines Company this 16th day of August, 1919 and affixed hereto the corporate seal of said corporation.

(Seal)

R. NENZEL,

Secretary of Nevada Humboldt Tungsten Mines Company, a Nevada Corporation. [794—186]

State of Nevada,

County of Pershing,—ss.

On this 16th day of August, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, Nevada, R. Nenzel, known to me to be the same person described in and who executed the foregoing instrument as Secretary of Nevada Humboldt Tungsten Mines Company, who acknowledged to me that he executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal the day and

year, in this certificate, first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than ninety-five per cent (95%) of the total authorized capital stock of the Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby approve and ratify the foregoing and attached contract made and entered into by said Tungsten Products Company on the one part and W. J. Loring on the other part; and we do hereby ratify, approve and confirm the acts of the President and Secretary of the above corporation in executing the said contract on behalf of said Tungsten Products Company.

IN WITNESS WHEREOF, we have hereunto set our hands this the sixteenth day of August, A. D. 1919.

L. A. Friedman	Owning	1,060 Shares
[795—187]		

L. A. Friedman, Trustee	Owning	94,680 Shares
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H. J. Murrish	Owning	1,000 Shares
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R. Nenzel	Owning	1,000 Shares
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C. H. Jones	Owning	1,000 Shares
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John G. Huntington	Owning	1,000 Shares
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By R. Nenzel, Atty. in fact.

_____	Owning	_____ Shares
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_____	Owning	_____ Shares
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_____	Owning	_____ Shares
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_____	Owning	_____ Shares
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State of Nevada,

County of Pershing,—ss.

On this 16th day of August, A. D. one thousand nine hundred and nineteen personally appeared before me, Booth B. Goodman, a Notary Public, in and for Humboldt County, L. A. Friedman, trustee for the stockholders of Nevada Humboldt Tungsten Mines Company, known to me to be the person described in and who executed the foregoing instrument who acknowledged to me that he executed the same, freely and voluntarily, and for the uses and purposes mentioned as such trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Pershing, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada, acting in Pershing County.

State of Nevada,

County of Humboldt,—ss.

On this 16th day of August, A. D. one thousand nine [796—188] hundred and nineteen personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel known to me to be the person whose name is subscribed to the within instrument as the attorney in fact of John G. Huntington and acknowledged to me that he subscribed the name of the said John G. Huntington thereto as principal, and his own name

as attorney in fact, freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 16th day of August, A. D. one thousand nine hundred and nineteen personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, C. H. Jones, L. A. Friedman, H. J. Murrish and R. Nenzel, known to me to be the person described in and who executed the foregoing instrument who acknowledged to me that he executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Pershing, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada, acting in Pershing County.

[797—189]

I, R. Nenzel, Secretary of the Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify that the persons whose names are

signed to the attached ratification of stockholders of Tungsten Products Company are the owners of more than ninety-five (95%) per cent of the total authorized capital stock of said corporation standing in their names on the books of said corporation on this date and are each the owners of the number of shares set opposite their respective names.

IN WITNESS WHEREOF I have hereunto set my hand as Secretary of said Tungsten Products Company this 16th day of August, 1919, and affixed hereto the corporate seal of said corporation.

R. NENZEL, (Seal)

Secretary of Tungsten Products Company, a Nevada Corporation.

State of Nevada,
County of Pershing,—ss.

On this 16th day of August, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, Nevada, R. Nenzel, Secretary of Tungsten Products Company, a corporation, known to me to be the same person described in and who executed the foregoing instrument as Secretary of said Tungsten Products Company, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal the day and year, in this certificate first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public. [798—190]

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Contract Between Deft. Corporation & Loring. Aug. 16/19. Defts. Ex. "A-12." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-13."

**MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF TUNGSTEN
PRODUCTS COMPANY.**

Held at Lovelock, Nevada, August 16th, 1919, at
10:30 o'clock P. M.

WAIVER OF NOTICE.

We, the undersigned, being all of the Directors of Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby waive notice of the time, place and purpose of holding a special meeting of the Board of Directors of said Company, and do hereby designate and fix the 16th day of August, 1919, at 10:30 o'clock P. M. as the time at which said meeting shall be held, and the office of the Company in the City of Lovelock, Pershing County, Nevada, as the place of such meeting, and we do hereby consent that any and all business of any kind or nature which pertains to the business or interests of the Company may be considered and acted upon at said meeting.

WITNESS OUR HANDS this 16th day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

JOHN G. HUNTINGTON.

Filed Aug. 16, 1919.

R. NENZEL,

Secretary. [799—191]

Pursuant to the above and foregoing written Waiver of Notice, a special meeting of the Board of Directors of Tungsten Products Company, was held at 10:30 o'clock P. M., the 16th day of August, 1919, at the office of the Company in Lovelock, Pershing County, Nevada.

Present, all of the Directors, namely:—L. A. Friedman, R. Nenzel, C. H. Jones, and H. J. Murrish—Absent:—John G. Huntington.

The meeting was called to order by President L. A. Friedman, who stated that the principal business to come before the meeting was the acceptance or rejection of an offer to purchase the Company's real and personal property. On motion seconded and carried, the following Resolution was adopted:

RESOLVED, that the regular rules be, and they are hereby suspended and that the Board proceed immediately to consider the special business to come before it.

W. J. Loring being personally present stated to the Board that he desired to purchase the entire property and holdings of the Company jointly with

the entire property of the Nevada Humboldt Tungsten Mines Company, and that he was ready and willing to pay the sum of \$333,333.33 for the properties of both companies. Mr. Loring presented to the Board a proposed contract of sale between this Company and Nevada Humboldt Tungsten Mines Company, on the one part, and W. J. Loring, on the other part. Thereupon Mr. H. J. Murrish offered the following resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company, jointly with Nevada Humboldt Tungsten Mines Company, to purchase the real and personal properties of this corporation and the real and personal properties of Nevada Humboldt Tungsten Mines Company for the sum of \$333,333.33 and have offered to enter into a binding sale agreement with this corporation, and [800—192]

WHEREAS, we, the Directors of Tungsten Products Company, are familiar with the properties of both corporations, and

WHEREAS, this corporation is a subsidiary Company to said Nevada Humboldt Tungsten Mines Company, and the capital stock of this Company, excepting the qualifying shares of the Directors, is held in trust for the shareholders of said Nevada Humboldt Tungsten Mines Company, and

WHEREAS, we, the directors, deem that the offer of \$333,333.33 made for the property, in view of the indebtedness of the company and threatened law suits and other matters which tend to harass the company, and make a sale of its property at a higher figure impossible, is a reasonable one, and

WHEREAS, this corporation and said Nevada Humboldt Tungsten Mines Company have become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it is for the best interests of this company, and its creditors, to accept the said offer of said Loring and sell said property to him,

RESOLVED, that this Company accept the offer of said W. J. Loring, and that the President and Secretary of this corporation be, and they are hereby authorized, directed and empowered to execute on behalf of this corporation an agreement or contract with said W. J. Loring, in the words and figures following:

THIS CONTRACT, made and entered into this sixteenth day of August, one thousand nine hundred and nineteen, by and between NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, and TUNGSTEN PRODUCTS COMPANY, also a Nevada Corporation, the parties of the first part, and W. J. LORING, of the City and County of San Francisco, State of California, the party of the second part.

WITNESSETH:

That the parties of the first part, for and in consideration of the sum of One (\$1.00) Dollar, lawful money of the United States, to them paid by the party of the second part, the receipt whereof is hereby admitted, and in consideration of the moneys to be paid by the party of the second part at the

times and in the manner hereinafter provided, do by these presents covenant [801—193] and agree with the party of the second part to sell, assign, grant, convey and set over unto the said party of the second part, and his heirs and assigns, and the party of the second part hereby agrees to buy all of the real and personal property now owned by the party of the first part, including all rights, easements, contracts for power, capital stock of other corporations owned by the parties of the first part, or by either of them, and in brief every article of real, personal or mixed property, of every kind and description, now owned by the parties of the first part, or either of them (excepting only the books and corporate records of the parties of the first part) and expressly including the following real and personal property, to wit:

REAL PROPERTY:

All those certain mining claims and mineral bearing lodes, veins and deposits situated in an unknown mining district, in the County of Pershing, formerly County of Humboldt, State of Nevada, described as follows:

The Gross Mine No. 2, Gross Mine No. 3, White Rock Mine, and Sky High, lode mining claims, situated about seven miles northwest of Mill City Station, on the Southern Pacific Railroad, copies of location notices of which were duly recorded in the office of the County Recorder of said Humboldt County, in Book "S" of Notices, at page 502, reference to which said records for purposes of greater certainty of description is hereby expressly

made, being the same property described in that certain Deed thereof to Nevada Humboldt Tungsten Mines Company, a Nevada corporation, dated February 17, 1917, and recorded in Book 53 of Deeds, page 146, records of the County Recorder of said Humboldt County, State of Nevada; [802—194]

Together with all the dips, spurs and angles, leads, lodes, metals, ores, gold, silver and tungsten bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed.

Also, that certain lot, piece or parcel of land situated in the County of Pershing (formerly the County of Humboldt, State of Nevada, and described as follows, to wit:

Beginning at the East quarter corner of Section Twenty Seven (27) Township Thirty-four (34) North, Range Thirty-four (34) East. Mt. Diablo Base and Meridian; thence South, along the East line of said Section, to the Southwest corner thereof; thence west, along the South Line of said Section, to the South quarter corner thereof; thence northwesterly, in a straight line, to the place of beginning, containing eighty (80) acres, according to the United States Public Surveys; together with all the rights, privileges and appurtenances thereunto belonging or in anywise appertaining. Being the same ground deeded to the Nevada Humboldt Tungsten Mines Company, a Nevada corporation.

in that certain deed dated April 25, 1918, recorded in Book 53, page 76, of deeds, records of the office of the County Recorder of said County of Humboldt, State of Nevada;

Also, that certain piece of parcel of land lying situate and being in the County of Pershing (formerly County of Humboldt, State of Nevada, more particularly described as follows:

Beginning at the Southeast corner of Section Twenty-seven (27) Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence North one hundred feet; thence east five hundred (500) feet; thence south six hundred (600) feet; thence west six hundred (600) feet; thence [803—195] north five (500) hundred feet; thence east one hundred (100) feet, to the place of beginning. Being the same property described in that certain Deed thereof to Tungsten Products Company, a Nevada corporation, described in Book 1 of Deeds, page 18, official records in the office of the County Recorder of Pershing County, State of Nevada, to which said record reference is hereby expressly made; together with the mill, plant, improvements, tenements and hereditaments thereon, and all the rights, privileges, easements and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed:

Also, that certain easement for the flow of trailings from the mill, or any other plant or structure, on, or that may be constructed on, said last above

described tract flowing on or over the notheast quarter of Section Thirty-five (35) Township Thirty-four (34) North, Range Thirty-four (34) east, Mt. Diablo Base and Meridian; together with all the rights, privileges and franchises thereto incident appendant, and appurtenant, or therewith usually had and enjoyed. Being the same easement described in that certain Deed thereof recorded in Book 1 of Deeds, page 20, official records in the office of the County Recorder of the County of Pershing, State of Nevada, to which said record reference is hereby expressly made;

PERSONAL PROPERTY.

And also, all of the personal property of every kind and description owned by the parties of the first part and each of them, including all of the issued capital stock of the Mill City Development Company owned by said parties of the first part, or either of them, with the certificates representing the same properly endorsed in blank, and all ore in dumps, at the mill or in the mine; all [804—196] buildings erected upon any of the lands hereinbefore described; all tungsten concentrates including all concentrates in the mill or elsewhere owned by either of the parties of the first part and all concentrates in the possession of the party of the second part, the Pacific Tungsten Company, or Wells Fargo Nevada National Bank of San Francisco, and including all moneys due upon concentrates heretofore sold by either of the parties of the first part to the Western Ore Purchasing

Company of Reno, Nevada; all mills, machinery, concentrating tables, engines, compressors, motors, belting, cables, hoists and every other article of machinery or equipment, which is now situated on the property of the parties of the first part or either of them above described, or in the concentrating mill thereon, or elsewhere; all mine cars, track, buckets, skips, drilling steel, jackhammers, stoping or drilling machinery of every kind and description and all of the tools and implements used in or about the mine and mill owned by the parties of the first part, or either of them, including all picks, shovels, blacksmith tools and equipment, carpenters and mill wrights' tools; all wagons and trucks; all mine and mill supplies of every kind, wheresoever situated including powder; all boarding house and bunk-house furnishings and equipment; and in brief every article of personal property including credits owned by the parties of the first part, or either of them, excepting only their books, corporate seal, and records, and except any item of cash in bank above the amount of \$195.46, and except supplies now at Mill City amounting to \$1,106.25 (being the following items; Baker, Hamilton & Pacific Company, \$3.27, \$25.78, and \$19.10; the Gallagher Machinery Co., \$120.00; The Giant Powder Co., \$813.40; Allis-Chalmers Mfg. Co., \$353.60, and the Stearns-Roger Co., \$71.10.)

[805—197]

The parties of the first part also agree to sell, assign, transfer and set over unto the said party

of the second part, and his assigns, all of their right, title, interest, claim or demand in, to, or of any and all moneys which may hereafter be found to be due to them, or to either of them, from the Government of the United States by reason of any claim for relief which they, or either of them, have filed or presented under that certain act of Congress of the United States known as the War Minerals Relief Act.

The said party of the second part hereby covenants and agrees to pay or cause to be paid to the parties of the first part as the full purchase price of the entire properties of the parties of the first part as above described, including said right to moneys by reason of said War Minerals Relief Act, the sum of Three Hundred Thirty Three Thousand Three Hundred Thirty Three and Thirty-three one-hundredths (\$333,333.33) Dollars, in lawful money of the United States at the time and in the manner following:

The sum of Fifty Thousand (\$50,000.00) Dollars on or before September 1st, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the first day of October, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the fifteenth day of November, 1919;

The further sum of Fifty Thousand (\$50,000.00) Dollars on or before the twenty-seventh day of December, 1919;

The further sum of Thirty Three Thousand

Three Hundred Thirty-three Dollars and Thirty-three cents (\$33,333.33) on or before the 4th day of February, 1920; [806—198]

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of May, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of August, 1920;

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of November, 1920; and

The further sum of Twenty-five Thousand (\$25,000.00) Dollars on or before the 4th day of February, 1921.

All payments of the installments of the purchase price above set forth shall be made in cash, or by certified check, or by cashier's check, or bank telegraph transfer, to the credit of the parties of the first part, at the First National Bank of Lovelock, Nevada, by payment thereof to it's Cashier, J. T. Goodin, who is Trustee for the creditors of said parties of the first part, who shall first pay off the loan of Ten Thousand (\$10,000.00) Dollars procured to pay off labor claims, and shall thereafter pay out said installments so received to said respective creditors in accordance with his trust, but the payment thereof by said party of the second part to said Cashier and Trustee, or his successor as such, shall be a complete performance by said party of the second part of the payment of each

installment so paid, and said party of the second part shall not be obligated to ascertain whether said payments by said Cashier or Trustee shall have been properly distributed.

IT IS FURTHER UNDERSTOOD AND AGREED that the said party of the second part shall receive credit upon the installment of the purchase price falling due on the first day of September, 1919, for the sum of Thirteen Thousand One Hundred Fifty-eight and Fifty-two One Hundredths (\$13,158.52) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines [807—199] Company assigned by Rochester Mines Company, a Nevada corporation, to the party of the second part, and also for the sum of Four Thousand Two Hundred Eleven and Sixty-two One Hundredths (\$4211.62) Dollars, being the amount of a certain claim against the Nevada Humboldt Tungsten Mines Company assigned by Rochester Combined Mines Company, a Nevada corporation, to the party of the second part; said claims or accounts now being the property of the party of the second part and due and owing to him.

IT IS EXPRESSLY COVENANTED AND AGREED That the party of the second part shall, upon the execution of this contract, have immediate possession of the properties above described, and all thereof and the right to conduct and operate said properties, and extract, ship, reduce and sell ore and concentrate therefrom, and shall apply

the net proceeds of any concentrates derived from such operation by the party of the second part, first, to the payment of the debts of the corporation herein set forth, obtaining credit therefor upon the installments of the purchase price in the manner herein set forth, and thereafter shall have the right to apply such net proceeds upon said installments of the purchase price as may then remain.

IT IS FURTHER AGREED that the party of the second part, or his assigns, shall have the right to collect all of the accounts and bills receivable due to said parties of the first part, or either of them, and to sell any of the tungsten concentrates covered by this agreement and any tungsten concentrates produced through the operation by him of any of said properties, and shall apply any moneys collected thereunder, whether out of account due said parties of the first part, or either of them, or collected from bills receivable; due, or otherwise, and all moneys derived from the net proceeds [808—200] contract, franchises, rights or easements and capital stock of other corporations which the parties of the first part or either of them may own. Simultaneously with the delivery of said deeds to the party of the second part, by the parties of the first part, the party of the second part shall make, execute and deliver to the order of said parties of the first part, a properly executed mortgage containing the usual covenants covering the real property described in the deeds from each of said parties of the first part to the party of the

second part, securing to said parties of the first part the payment of the installments of the purchase price of all of the properties at the dates and in the place set forth in this agreement. Said mortgage shall also contain a clause covering the liquidation of creditor's claims as herein set forth.

Time shall be of the essence of this agreement but there shall be a five day's grace allowed on the dates set for the payment of each installment before the party of the second part shall be considered to be in default thereon.

It is further stipulated and agreed that this contract shall run in favor of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties; and it is further agreed that the party of the second part shall have the right and power to assign this contract.

IN WITNESS WHEREOF the said Nevada Humboldt Tungsten Mines Company has by resolution of it's Board of Directors caused it's corporate name to be hereto subscribed by it's President and Secretary and it's corporate seal to be hereto affixed and said Tungsten Products Company has also, by resolution of its Board of Directors, duly adopted, caused it's corporate name to be hereto subscribed by it's President and Secretary and it's corporate seal [809—202] to be hereto affixed, and the party of the second part has hereunto set his hand,

in duplicate, the day and year first above written.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By _____

President.

Attest: _____,

Secretary.

TUNGSTEN PRODUCTS COMPANY,

By _____

President.

Attest: _____,

Secretary.

I hereby approve the foregoing contract on behalf of the creditors of the parties of the first part and consent to the same.

Trustees for Creditors.

Pursuant to the above and foregoing written waiver of Notice, a special meeting of the Board of Directors of Tungsten Products Company, was held at 10:30 o'clock, P. M., the 16th day of August, 1919, at the office of the Company in Lovelock, Pershing County, Nevada.

Present, all of the Directors, namely: L. A. Friedman, J. G. Huntington, R. Nenzel, C. H. Jones, and H. J. Murrish.

The meeting was called to order by President L. A. Friedman, who stated that the principal business to come before the meeting was the acceptance or rejection of an offer to purchase the

Company's real and personal property. On motion seconded and carried, the following Resolution was adopted: [810—203]

RESOLVED, that the regular rules be, and they are hereby suspended and that the Board proceed immediately to consider the special business to come before it.

W. J. Loring being personally present stated to the Board that he desired to purchase the entire property and holdings of the Company jointly with the entire property of Nevada Humboldt Tungsten Mines Company, and that he was ready and willing to pay the sum of \$333,333.33 for the properties of both companies. Mr. Loring presented to the Board a proposed contract of sale between this Company and Nevada Humboldt Tungsten Mines Company, on the one part, and W. J. Loring, on the other part. Thereupon Mr. H. J. Murrish offered the following resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company, jointly with Nevada Humboldt Tungsten Mines Company, to purchase the real and personal properties of this corporation and the real and personal properties of Nevada Humboldt Tungsten Mines Company for the sum of \$333,333.33 and have offered to enter into a binding sale agreement with this corporation and

WHEREAS, we, the Directors of Tungsten Products Company, are familiar with the properties of both corporations; and

WHEREAS, this corporation is a subsidiary Company to said Nevada Humboldt Tungsten Mines Company, and the capital stock of this Company, excepting the qualifying shares of the Directors, is held in trust for the shareholders of said Nevada Humboldt Tungsten Mines Company, and,

WHEREAS, the fair value of the properties is not in excess of said sum of \$333,333.33 and said sum is a fair consideration, and,

WHEREAS, this corporation and said Nevada Humboldt Tungsten Mines Company have become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it is for the best interest of this company, and its creditors, to accept the said offer of said Loring and sell said property to him,

RESOLVED, that this Company accept the offer of said W. J. Loring and that the President and Secretary of this corporation be, and they are hereby, authorized, directed and empowered to execute on behalf of this corporation an agreement or contract with said W. J. Loring, in the words and figures following:

FURTHER RESOLVED, that the president and Secretary of this Company be, and they are hereby authorized, empowered and directed to make, execute and deliver on behalf of this corporation and in [811—204] accordance with the terms of said contract, all necessary deeds, bills of sale and conveyances, transferring said property to said W. J. Loring.

FURTHER RESOLVED, that a meeting of the stockholders of this Company be called forthwith to meet at the office of the Company for the purpose of approving and further ratifying the sale of this Company's property, described in said contract, to said W. J. Loring.

The motion that said resolution be adopted was duly seconded by C. H. Jones, and was unanimously carried.

There being no further business to come before the meeting, same was adjourned.

R. NENZEL,
Secretary.

We, the undersigned, Directors of the Tungsten Products Company, do hereby approve the foregoing minutes and ratify and confirm each and every of the Resolutions therein set forth.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

JOHN G. HUNTINGTON.

CERTIFICATE OF SECRETARY.

I, R. Nenzel, Secretary of Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify that the above and foregoing is a full, true and correct transcript of the Minutes of a special meeting of the Board of Directors of said Tungsten Products Company, held on the 16th day of August, 1919. [812—205]

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 20th day of August, 1919.

(Seal)

R. NENZEL,
Secretary.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Minutes Products Co., Aug. 16/19. Defts. Ex. "A-13." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-14."

**MINUTES OF THE SPECIAL MEETING OF
THE STOCKHOLDERS OF TUNGSTEN
PRODUCTS COMPANY.**

Held at Lovelock, Nevada, August 16th, 1919, at
11:00 o'clock, P. M.

WAIVER OF NOTICE.

We, the undersigned owners of all of the issued and outstanding capital stock of Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby waive notice of the time, place and purpose of holding a special meeting of the stockholders of said corporation and do hereby fix the 16th day of August, 1919, at 11:00 o'clock P. M., as the time for such meeting, and the office of the Company in the City of Lovelock, Pershing County, Nevada, as the place of such meeting, and do hereby consent that any and all business of every kind and nature pertaining to the interests of said Company may be

considered and acted upon at said meeting. [813—206]

WITNESS OUR HANDS, this 16th day of August, 1919.

L. A. Friedman	Owning	1,000 Shares
L. A. Friedman, Trustee	Owning	94,680 Shares
R. Nenzel	Owning	1,000 Shares
H. J. Murrish	Owning	1,000 Shares
C. H. Jones	Owning	1,000 Shares
John G. Huntington	Owning	1,000 Shares

Filed August 16, 1919.

R. NENZEL,
Secretary.

Pursuant to the foregoing Waiver of Notice signed by all of the stockholders of the Tungsten Products Company, a special meeting of the stockholders of said Tungsten Products Company was held at the office of the Company in the City of Lovelock, Pershing County, Nevada, on the 16th day of August, 1919, at 11:00 o'clock, P. M.

The meeting was called to order by Mr. L. A. Friedman who was, upon motion seconded and carried, elected Chairman of the meeting, and R. Nenzel was elected Secretary thereof.

There were found to be present the following capital stock:

Name	Number of Shares
L. A. Friedman	1,000
L. A. Friedman, Trustee	94,680
H. J. Murrish	1,000
R. Nenzel	1,000
C. H. Jones	1,000

and the following stock was represented and present by proxy, duly filed:

Name	No. of Shares	Name of Proxy
John G. Huntington	1,000	R. Nenzel

The Chairman, on motion seconded and carried, appointed H. J. Murrish to pass upon the proxies filed with the Secretary. [814—207] Mr. Murrish reported his approval of the proxy of John G. Huntington to R. Nenzel and that said proxy was in proper form and had been duly filed.

All of the issued and outstanding capital stock of the corporation being represented and present, the Chairman declared the meeting to be duly organized for the purpose of considering the business to come before it.

The Chairman then stated that the principal purpose for which the meeting had been called was to take action for or against the ratification of a contract for the sale of the entire property holdings of the corporation, which contract was between Tungsten Products Company and Nevada Humboldt Tungsten Mines Company, on the one part, and W. J. Loring, on the other part, and which provided for the sale of this company, together with the entire property holdings of the Nevada Humboldt Tungsten Mines Company, for a total consideration of \$333,333.33. A copy of said contract was exhibited to the stockholders for inspection and consideration and the minutes of the Directors' meeting, previously held, approving said contract and recommending its adoption and acceptance and exe-

cution by the Company were read by the Secretary. Thereupon, and after discussion, H. J. Murrish offered the following Resolution and moved its adoption:

WHEREAS, the President and Secretary of this Company did, on the 16th day of August, 1919, execute on behalf of this corporation a certain contract and agreement made between this Company and Nevada Humboldt Tungsten Mines Company, on the one part, and W. J. Loring of the City and County of San Francisco, State of California, on the other part, which contract provided for the sale of this company's property to said W. J. Loring, jointly with the property of the Nevada Humboldt Tungsten Mines Company, for a consideration of \$333,333.33 be, and the same is hereby ratified, confirmed and approved, and the acts of said officers are hereby adopted as the acts of this corporation as fully to all intents and purposes as if the said officers had [815—208] been previously authorized to enter into and execute said contract and agreement on behalf of this Company by a Resolution of its stockholders duly adopted.

FURTHER RESOLVED, that the action of the Board of Directors of this corporation authorizing and directing the said officers to execute said contract on behalf of this corporation be, and the same is hereby ratified and approved and the act of said Board of Directors in this behalf is hereby adopted as the act of the stockholders of this Company.

The motion that said Resolution be adopted was duly seconded by R. Nenzel.

A vote was then taken which resulted in 99,680 shares being voted in favor of the motion that said Resolution be adopted, and there being no stock voted against said motion, the Chairman declared the said resolution to be duly adopted.

H. J. Murrish then offered the following Resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company, jointly with the Nevada Humboldt Tungsten Mines Company to purchase the real and personal property of this corporation and the real and personal property of said Nevada Humboldt Tungsten Mines Company for the sum of \$333,333.-33, and

WHEREAS, the Board of Directors of this Company, have, by Resolution, recommended that this Company accept the said offer and sell to W. J. Loring the real and personal property of this Company upon the terms stated in the contract here exhibited and fully set forth in the Minutes of the special meeting of the Board of Directors of this Company, held on the 16th day of August, 1919, and

WHEREAS, this Company and said Nevada Humboldt Tungsten Mines Company, has become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it appears to us to be for the best interests of this Company and its creditors, to accept the offer of said Loring and to sell said property to him, and

WHEREAS, it appears upon inspection of the sale contract executed by officers of this Company.

and said W. J. Loring that more than ninety per cent of the outstanding capital stock of this corporation has already in writing ratified and approved the said contract and the proposed sale of this Company's property, and,

WHEREAS, we, the stockholders, deem that the offer of \$333,333.33 made for the property, in view of the indebtedness [816—209] of the Company and threatened law suits and other matters which tend to harass the Company and make a sale of its property at a higher figure impossible, is a reasonable one,

RESOLVED, that the President and Secretary of this Company be, and they are hereby directed, authorized and empowered to make, execute and deliver to said W. J. Loring, good and sufficient Deeds and Bills of Sale to all of the properties of this Company described in said contract and any and all other rights, assignments and conveyances which may be necessary to properly convey the property of this corporation described in said contract to said Loring, under the terms of and as provided in said contract.

FURTHER RESOLVED, that the Board of Directors of this corporation be, and they are hereby ordered and directed to cause the said contract with said W. J. Loring to be fully carried out and performed on the part of this corporation.

The motion that said resolution be adopted was duly seconded by R. Nenzel.

A vote was then taken which resulted in 99,680 shares being voted in favor of the motion that said

Resolution be adopted, and there being no stock voted against said motion, the Chairman declared the said Resolution to be duly adopted.

There being no further business before the meeting, it was upon motion of C. H. Jones, seconded and carried, adjourned.

R. NENZEL,
Secretary.

We, the undersigned, owners of all of the outstanding capital stock of said Tungsten Products Company do hereby approve the foregoing Minutes and ratify and confirm the proceedings and Resolutions thereat had and adopted.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

(Sig.) JOHN G. HUNTINGTON.

C. H. JONES. [817—210]

We, the undersigned, Chairman and Secretary, respectively, of the special meeting of the stockholders of Tungsten Products Company, held at the office of the Company on the 16th day of August, 1919, at 11:00 o'clock, P. M., do hereby certify that the foregoing is a full, true and correct record of the Minutes of said meeting and the Resolutions there at adopted.

IN WITNESS WHEREOF, we have hereunto set our hands and seal of said corporation, this 16th day of August, 1919.

L. A. FRIEDMAN,
Chairman.

R. NENZEL,
Secretary.

CERTIFICATE OF SECRETARY.

I, R. Nenzel, Secretary of the Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify that the above and foregoing is a full, true and correct transcript of the Minutes of a special meeting of the stockholders of said Tungsten Products Company, held on the 16th day of August, 1919.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 20th day of August, 1919.

(Seal)

R. NENZEL,
Secretary. [818—211]

State of Nevada,
County of Pershing,—ss.

On this first day of September, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel, known to me to be the same person described in and who executed the attached instrument as Secretary of Tungsten Products Company, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned, as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal the day and year, in this certificate, first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Minutes of Special Meeting of Stockholders of Products Co., Aug. 16/19. Defts. Ex. "A-14." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-15."

WAIVER OF NOTICE.

We, the undersigned, Directors of the Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby waive all notice of the time, place and purpose of holding a special meeting of the Board of Directors of said Company, and hereby fix the time for such meeting as the 23d day of August, 1919, at three o'clock in the afternoon of said day, and the place of such meeting as the office of the Company in the City of Lovelock, Pershing County, Nevada, and hereby consent that any and all matters and business in any way pertaining to or effecting [819—212] the interests of the Company may be acted upon at said meeting.

WITNESS OUR HANDS this 23d day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

J. G. HUNTINGTON.

Filed August 23d, 1919.

R. NENZEL,
Secretary.

MINUTES OF SPECIAL MEETING OF BOARD
OF DIRECTORS OF TUNGSTEN PRO-
DUCTS COMPANY.

Held in Lovelock, Nevada, August 23d, 1919.

Pursuant to the foregoing written Waiver of Notice, signed by all of the Directors, a meeting of the Board of Directors of Tungsten Products Company was held at the office of the Company, in the City of Lovelock, County of Pershing, State of Nevada, on the 23d day of August, 1919, at three o'clock in the afternoon.

There being a quorum present the meeting was called to order by President L. A. Friedman.

The minutes of the previous meeting held on the 16th day of August, 1919, were read, and on motion of H. J. Murrish, seconded and carried, the same were approved as read.

On Motion of H. J. Murrish, seconded by C. H. Jones, and carried, the following resolution was adopted: [820—213]

WHEREAS, the stockholders of this corporation have, by resolution, duly adopted, approved and ratified the contract heretofore entered into by this Company with W. J. Loring, of the City and County of San Francisco, State of California, for the sale of properties of this Company therein described, together with the properties of Nevada Humboldt Tungsten Mines Company, for a consideration of

\$333,333.33, and have directed this Board to cause the said contract to be carried out and performed on the part of this company, and

WHEREAS, the form of mortgage to be given by said Loring as security for said purchase price has been inspected by this Board and the same has been found satisfactory in all particulars,

RESOLVED, that the President and Secretary of this Company, be, and they are hereby, authorized, empowered and directed to accept from said W. J. Loring a mortgage in the form presented and upon receipt of said mortgage, duly executed by said W. J. Loring, to make, execute and deliver to said W. J. Loring good and sufficient deeds of conveyance, bills of sale and assignments, conveying to said W. J. Loring all of the property of this corporation, according to the terms of that certain agreement dated the 16th day of August, 1919, made by and between this Company and Nevada Humboldt Tungsten Mines Company, on the one part, and said W. J. Loring on the other part, and to do all other acts and things necessary or convenient to carry out the terms of said contract on the part of this corporation.

There being no further business to come before the meeting it was, on motion seconded and carried, adjourned.

R. NENZEL,
Secretary.

I, R. Nenzel, Secretary of Tungsten Products Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada,

do hereby certify the foregoing is a full, true and correct transcript of the minutes of a special meeting of the Board of Directors of said corporation, held on the 23d day of August, 1919.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 1st day of September, A. D. 1919.

(Seal)

R. NENZEL,
Secretary. [821—214]

State of Nevada,
County of Pershing,—ss.

On this first day of September, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. NENZEL, known to me to be the same person described in and who executed the attached instrument as Secretary of TUNGSTEN PRODUCTS COMPANY, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned, as such Secretary.

IN WITNESS WHEREOF I have hereto set my hand and affixed my Official Seal the day and year, in this certificate, first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Waiver of Notice of Meeting Directors' Tungsten Products Co. & Minutes. Aug. 23, 19. Defts. Ex. "A-15." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-16."**WAIVER OF NOTICE.**

We, the undersigned, Directors of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby waive all notice of the time, place and purpose of holding a special meeting of the Board of Directors of said corporation, and do hereby fix the time for such meeting as the 23d day of August, 1919, at 3:30 o'clock P. M., and the [822—215] place of such meeting as the office of the Company in the City of Lovelock, Pershing County, Nevada, and hereby consent that any and all business in any way affecting the interests of the Company may be acted upon at such meeting.

WITNESS OUR HANDS this 23d day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

C. W. POOLE.

Filed August 23d, 1919.

R. NENZEL.

Secretary.

**MINUTES OF SPECIAL MEETING OF BOARD
OF DIRECTORS OF NEVADA HUM-
BOLDT TUNGSTEN MINES COMPANY.**

Held in Lovelock, Nevada, August 23d, 1919.

Pursuant to the foregoing written Waiver of

Notice, signed by all of the Directors, a meeting of the Board of Directors of Nevada Humboldt Tungsten Mines Company was held at the office of the Company, in the City of Lovelock, County of Pershing, State of Nevada, on the 23d day of August, 1919, at three-thirty o'clock in the afternoon.

There being a quorum present the meeting was called to order by President L. A. Friedman.

The minutes of the previous meeting, held on the 16th day of August, 1919, were read, and on motion of H. J. Murrish, seconded and carried, the same were approved as read.

On motion of H. J. Murrish, seconded by C. H. Jones, [823—216] and carried the following resolution was adopted:

WHEREAS, the stockholders of this corporation have, by resolution, duly adopted, approved and ratified the contract heretofore entered into by this Company with W. J. Loring, of the City and County of San Francisco, State of California, for the sale of the properties of this Company therein described, together with the properties of Tungsten Products Company, for a consideration of \$333,333.33, and have directed this Board to cause the said contract to be carried out and performed on the part of this Company, and,

WHEREAS, the form of mortgage to be given by said Loring as security for said purchase price has been inspected by this Board and the same has been found satisfactory in all particulars,

Resolved, that the President and Secretary of this Company, be, and they are hereby, authorized, empowered and directed to accept from said W. J. Loring a mortgage in the form presented and upon receipt of said mortgage, duly executed by said W. J. Loring, to make, execute and deliver to said W. J. Loring good and sufficient deeds of conveyance, bills of sale and assignments, conveying to said W. J. Loring all of the property of this corporation, according to the terms of that certain agreement dated the 16th day of August, 1919, made by and between this Company and Tungsten Products Company on the one part, and said W. J. Loring, on the other part, and to do all other acts and things necessary or convenient to carry out the terms of said contract on the part of this corporation.

There being no further business to come before the meeting, it was, on motion seconded and carried, adjourned.

R. NENZEL.

Secretary.

I, R. Nenzel, Secretary of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify the foregoing is a full, true and correct transcript of the Minutes of a special meeting of the Board of Directors of said corporation, held on the 23d day of August, 1919.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 1st day of September, A. D. 1919.

(Seal)

R. NENZEL.

[824—217]

Secretary

State of Nevada,
County of Pershing,—ss.

On this first day of September, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel, known to me to be the same person described in and who executed the attached certificate as Secretary Nevada Humboldt Tungsten Mines Company, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned, as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official Seal the day and year, in this certificate, first above written.

(Seal)

BOOTH B. GOODMAN,
Notary Public.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Waiver of notice of Nev. Hum. Tungsten Directors. Meeting Aug. 23, 19 and Minutes. Defts. Ex. No. "A-16." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-17."**MINUTES OF THE SPECIAL MEETING OF
THE STOCKHOLDERS OF NEVADA
HUMBOLDT TUNGSTEN MINES COM-
PANY.**

Held at Lovelock, Nevada, August 23d, 1919, at
2:00 o'clock, P. M.

Pursuant to written notice given in accordance with the By-Laws of the corporation, a special meeting of the stockholders of the Nevada Humboldt Tungsten Mines Company was held in the office of the company in the City of Lovelock, Pershing County, Nevada, on the 23d day of August, 1919, at 2:00 o'clock, P. M.,

The meeting was called to order by L. A. Friedman, President of the Company, who was unanimously chosen Chairman, and [825—218] thereupon R. Nenzel, Secretary of the Company, was chosen Secretary of the meeting.

R. Nenzel Secretary of the Company, stated that written notice of the time, place and purpose of the holding of this meeting had been mailed to all persons owning stock in the corporation, in accordance with the provisions of the By-Laws of the Company. Thereupon Mr. Nenzel exhibited a copy of the notice, together with Affidavits showing that copies of the said notice had been properly mailed to all stockholders as provided for in the By-Laws. The Affidavits were then ordered filed with the Secretary.

The Chairman then ordered the Secretary to call the Roll and the following stock was found to be personally represented:

Name	Number of Shares
L. A. Friedman.....	39,679
J. T. Goodin.....	63,918
C. H. Jones.....	90,500
H. J. Murrish.....	102,769
Gertrude K. Olfers.....	9,100
R. Nenzel.....	103,674
V. A. Twigg.....	3,000
Frank Carlstrom.....	60,000
C. W. Poole.....	219,160

and the following stock was represented and present by proxy, duly filed.

Name	Number of Shares	Name of Proxy
Lena J. Friedman	250,00	R. Nenzel

The Chairman, on motion seconded and carried, appointed H. J. Murrish to pass upon the proxies filed with the Secretary. Mr. Murrish reported his approval of the proxy of Lena J. Friedman to R. Nenzel and that said proxy was in proper form and had been duly filed. [826—219]

More than ninety-four per cent of the total issued capital stock of the corporation being present and either represented in person or by proxy, the chairman declared the meeting to be duly organized for the consideration of the business to come before it.

A protest from stockholder David Taylor was received and read and was ordered filed with the Secretary.

The Chairman then stated that the special purpose for which the meeting had been called, as stated in the notice thereof, was for the purpose of ratifying and authorizing the sale of the entire real and personal property of the corporation to W. J. Loring, jointly with the entire property holdings of the Tungsten Products Company, for the sum of \$333,333.33, and also for the purpose of ratifying the action of the Board of Directors and the President and Secretary of the corporation in entering into and executing, on behalf of this Company, a sale contract made by Nevada Humboldt Tungsten Mines Company and Tungsten Products Company, on the one part, and W. J. Loring on the other part. A copy of said contract was exhibited to the stockholders for inspection.

Mr. H. J. Murrish then offered the following Resolution and moved its adoption:

WHEREAS, the President and Secretary of this Company did, on the 16th day of August, 1919, execute on behalf of this corporation, a certain contract and agreement made between this company and Tungsten Products Company, on the one part, and W. J. Loring of the City and County of San Francisco, State of California, on the other part, which contract provided for the sale of this Company's property to said W. J. Loring, jointly with the property of the Tungsten Products Company, for a consideration [827—220] of \$333,333.33 be, and the same is hereby ratified, confirmed and approved, and the acts of said officers are hereby

adopted as the acts of this corporation as fully to all intents and purposes as if the said officers had been previously authorized to enter into and execute said contract and agreement on behalf of this Company by a Resolution of its stockholders duly adopted.

FURTHER RESOLVED, that the action of the Board of Directors of this corporation authorizing and directing the said officers to execute said contract on behalf of this corporation be, and the same is hereby ratified and approved and the act of said Board of Directors in this behalf is hereby adopted as the act of the stockholders of this company.

The motion that said Resolution be adopted was duly seconded by J. T. Goodin.

A vote was then taken which resulted in 941,800 shares being voted in favor of the motion that said Resolution be adopted, and there being no stock voted against said motion, the Chairman declared the said Resolution to be duly adopted.

H. J. Murrish then offered the following Resolution and moved its adoption:

WHEREAS, W. J. Loring has made an offer to this Company, jointly with the Tungsten Products Company to purchase the real and personal property of this corporation and the real and personal property of said Tungsten Products Company for the sum of \$333,333.33, and

WHEREAS, the Board of Directors of this Company, have, by Resolution, recommended that this Company accept the said offer and sell to W. J.

Loring the real and personal property [828—221] of this Company upon the terms stated in the contract here exhibited and fully set forth in the Minutes of the special meeting of the Board of Directors of this Company, held on the 16th day of August, 1919, and

WHEREAS, this Company and said Tungsten Products Company, which is a subsidiary corporation to this Company, has become heavily indebted to various creditors and have not sufficient funds to meet the demands of said creditors, and it appears to us to be for the best interests of this Company, and its creditors, to accept the offer of said Loring and to sell said property to him, and

WHEREAS, it appears upon inspection of the sale contract executed by officers of this Company and said W. J. Loring that more than ninety per cent of the outstanding capital stock of this corporation has already, in writing, ratified and approved the said contract and the proposed sale of this Company's property, and,

WHEREAS, we, the stockholders, deem that the offer of \$333,333.33 made for the property, in view of the indebtedness of the Company and threatened law suits and other matters which tend to harass the Company and make a sale of its property at a higher figure impossible, is a reasonable one.

RESOLVED, that the President and Secretary of this Company be, and they are hereby directed, authorized and empowered to make, execute and deliver to said W. J. Loring, good and sufficient Deeds

and Bills of Sale to all of the properties of this Company described in said contract and any and all other rights, assignments and conveyances which may be necessary to properly convey the property of this corporation described in [829—222] said contract to said Loring, under the terms of and as provided in said contract,

FURTHER RESOLVED, that the Board of Directors of this corporation be, and they are hereby ordered and directed to cause the said contract with said W. J. Loring to be fully carried out and performed on the part of this corporation.

The motion that said Resolution be adopted was duly seconded by J. T. Goodin.

A vote was then taken which resulted in 941,800 shares being voted in favor of the motion that said Resolution be adopted, and there being no stock voted against said motion, the Chairman declared the said Resolution to be duly adopted.

Mr. H. J. Murrish then offered the following Resolution and moved its adoption:

RESOLVED, that the action of L. A. Friedman, as Trustee for the stockholders of this corporation in voting 94,680 shares of the capital stock of the Tungsten Products Company in favor of the sale of the property of said Tungsten Products Company to W. J. Loring at a meeting of the stockholders of said Tungsten Products Company, held August 16th, 1919, be, and the same is hereby ratified, approved and confirmed and,

FURTHER RESOLVED, that the stockholders of this corporation do hereby adopt the said act

of said L. A. Friedman, Trustee, as their own act and deed.

The motion that said Resolution be adopted was duly seconded by R. Nenzel, and a vote of the stockholders was then taken which resulted in 941,800 shares of stock being cast in favor of the motion that said Resolution be adopted and none against the said motion. Thereupon the Chairman declared [830—223] the said Resolution to be duly adopted.

On motion of H. J. Murrish, seconded and carried, the meeting adjourned.

L. A. FRIEDMAN,
Chairman.

Attest: R. NENZEL,
Secretary.

We, the undersigned stockholders of the Nevada Humboldt Tungsten Mines Company, do hereby approve the foregoing Minutes and ratify and confirm the proceedings and resolutions thereat had and adopted.

L. A. FRIEDMAN.
R. NENZEL.
H. J. MURRISH.
C. H. JONES.
FRANK CARLSTROM.
J. T. GOODIN.
C. W. POOLE.
V. A. TWIGG.
GERTRUDE K. OLFERS.
LENA FRIEDMAN.

By R. NENZEL, Proxy.
JOHN G. HUNTINGTON.

CERTIFICATE.

I, R. NENZEL, Secretary of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify that the foregoing is a full, true and correct transcript of the minutes of a meeting of the stockholders of said corporation held in the office of the Company in the City of [831—224] Lovelock, Pershing County, Nevada, on the 23d day of August, 1919, at two o'clock P. M.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of said corporation this twenty-third day of August, 1919.

[Seal]

R. NENZEL,
Secretary.

State of Nevada,
County of Pershing,—ss.

On this 1st day of September, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel, known to me to be the same person described in and who executed the attached certificate as Secretary Nevada Humboldt Tungsten Mines Company, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned, as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal the day and year, in this certificate, first above written.

[Seal]

BOOTH B. GOODMAN,
Notary Public.

[Endorsed]: No. B-7. U. S. District Court, District of Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Minutes of stockholders of Nev. Hum. Tungsten Co. Aug. 23d/19. Defts. Ex. "A-17." Filed Sept. 22d, 1920. T. J. Edwards, Clerk. Booth B. Goodman, Attorney at Law, Lovelock, Nevada.

Defendants' Exhibit "A-18."

WAIVER OF NOTICE.

We, the undersigned, Directors of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby waive all notice of the time, place and purpose of holding a special meeting of the Board of Directors of said corporation, [832—225] and do hereby fix the time for such meeting as the 23d day of August, 1919, at 3:30 o'clock P. M., and the place of such meeting as the office of the Company in the City of Lovelock, Pershing County, Nevada, and hereby consent that any and all business in any way affecting the interests of the Company may be acted upon at such meeting.

WITNESS OUR HANDS THIS 23d day of August, 1919.

L. A. FRIEDMAN.

R. NENZEL.

H. J. MURRISH.

C. H. JONES.

C. W. POOLE.

Filed August 23d, 1919.

R. NENZEL,
Secretary.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY.

Held in Lovelock, Nevada, August 23rd, 1919.

Pursuant to the foregoing written Waiver of Notice, signed by all of the Directors, a meeting of the Board of Directors of Nevada Humboldt Tungsten Mines Company was held at the office of the Company, in the City of Lovelock, County of Pershing, State of Nevada, on the 23rd day of August, 1919, at three-thirty o'clock in the afternoon.

There being a quorum present the meeting was called to order by President L. A. Friedman.

The minutes of the previous meeting, held on the 16th day of August, 1919, were read, and on motion of H. J. Murrish, seconded and carried, the same were approved as read.

On motion of H. J. Murrish, seconded by C. H. Jones, [833—226] and carried, the following resolution was adopted:

WHEREAS, the stockholders of this corporation have by resolution, duly adopted, approved and ratified the contract heretofore entered into by this Company with W. J. Loring of the City and County of San Francisco, State of California, for the sale of properties of this Company therein described, together with the properties of Tungsten Products Company, for a consideration of \$333,333.33, and have directed this Board to cause the said contract

to be carried out and performed on the part of this Company, and,

WHEREAS, the form of mortgage to be given by said Loring as security for said purchase price has been inspected by this Board and the same has been found satisfactory in all particulars,

RESOLVED, that the President and Secretary of this Company, be, and they are hereby, authorized, empowered and directed to accept from said W. J. Loring a mortgage in the form presented and upon receipt of said mortgage, duly executed by said W. J. Loring, to make, execute and deliver to said W. J. Loring good and sufficient deeds of conveyance, bills of sale and assignments, conveying to said W. J. Loring all of the property of this corporation, according to the terms of that certain agreement dated the 16th day of August, 1919, made by and between this Company and Tungsten Products Company, on the one part, and said W. J. Loring, on the other part, and to do all other acts and things necessary or convenient to carry out the terms of said contract on the part of this corporation.

There being no further business to come before the meeting, it was, on motion seconded and carried, adjourned.

R. NENZEL,
Secretary.

I, R. Nenzel, Secretary of Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, do hereby certify the foregoing

is a full, true and correct transcript of the Minutes of a special meeting of the Board of Directors of said corporation, held on the 23rd day of August, 1919.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 1st day of September, A. D. 1919.

R. NENZEL,
Secretary. [834—227]

State of Nevada,
County of Pershing,—ss.

On this 1st day of September, 1919, personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel, known to me to be the same person described in and who executed the attached certificate as Secretary Nevada Humboldt Tungsten Mines Company, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned, as such Secretary.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my Official Seal the day and year, in this certificate, first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Waiver of Notice of Director's Meeting. Aug. 23/19. & Minutes of Meeting. Defts. Ex. No. "A-18." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-19."**MINUTES OF SPECIAL MEETING OF THE
STOCKHOLDERS OF NEVADA HUM-
BOLDT TUNGSTEN MINES COMPANY.**

Held at Lovelock, Nevada, April 19th, 1920, at
2 o'clock P. M.

Pursuant to written notices heretofore duly given by the secretary of this corporation, a Special Meeting of the stockholders of Nevada Humboldt Tungsten Mines Company was held in the office of the Company, in the City of Lovelock, County of Pershing, State of Nevada, on the 19th day of April, 1920, at 2 o'clock, P. M.

The meeting was called to order by H. J. Murrish, Vice-President of the Company, who took the chair and presided at said meeting, and R. Nenzel, Secretary of the Company, acted as the Secretary of said meeting.

R. Nenzel, Secretary of the Company, thereupon read [835—228] to the meeting a written request of the majority of the Board of Directors for the calling of said meeting, and also the call for said meeting thereupon issued by the Secretary, both of which documents have been thereafter and heretofore filed in the archives of the Company.

Thereupon R. Nenzel, Secretary of the Company, read to the meeting the notice of said meeting mailed by him to each Stockholder of record of the Corporation, in accordance with law and the By-Laws of the Company, together with his affidavit of the due mailing the same addressed to each

stockholder of record, at his last known place of business, in sealed envelope, postage prepaid, in accordance with the provisions of the statute of the State of Nevada, and the By-Laws of the Company, and a copy of said Notice and Affidavit was ordered filed with the Secretary.

The chairman then ordered the Secretary to call the roll, and the following stock was found to be personally represented:

Name.	No. of Shares.
J. T. Goodin.....	88,142
C. H. Jones.....	90,500
H. J. Murrish.....	102,769
Gertrude K. Olfers.....	9,100
R. Nenzel	93,674
V. A. Twigg.....	3,000
Frank Carlstrom	60,000
C. W. Poole.....	198,439
Lena J. Friedman.....	250,000
John G. Huntington.....	45,250

and the following stock was represented and present by proxies, duly filed:

Name	No. of Shares	Name of Proxy
L. A. Friedman	40,926	C. H. Jones
B. H. Morrin	10,000	R. Nenzel

[836—229]

making 991,800 shares present in person and by proxy out of the total issue of one million shares.

The chairman, on motion, seconded and carried, appointed J. T. Goodin to pass upon the proxies filed with the Secretary. Mr. Goodin reported his

approval of the proxy of L. A. Friedman to C. H. Jones, and of the proxy from B. H. Morrin to R. Nenzel, and that said proxies were in proper form and had been duly filed.

Upon motion duly seconded, the report of said J. T. Goodin, with reference to said proxies, was accepted and approved.

More than ninety-nine per cent of the total issued capital stock of the Corporation being present, and either represented in person or by proxy, the chairman declared the meeting to be duly organized for the consideration of the business to come before it.

The Secretary thereupon read the written request of the majority of the Board of Directors for the calling of said Special Meeting of the Stockholders, and the call issued by the Secretary thereupon, which said request for said call and said call itself had been filed by and with the Secretary of the corporation. Thereupon the Secretary read the Notice of the meeting mailed by him to each stockholder of record, in accordance with the provisions of the Statutes of the State of Nevada and the By-Laws of the corporation.

The Chairman, in addition to the reading of said documents by the Secretary, giving notice of the purpose of the meeting, presented to the meeting, and the Secretary read, a copy of the Order to Show Cause and Restraining Order issued on the [837—230] 17th day of April, 1920, out of the United States District Court, in and for the District of Nevada, in that certain action therein filed on the 17th day of April, 1920, entitled, David

Taylor, Plaintiff, vs. Nevada Humboldt Tungsten Mines Company, a corporation.

Thereupon J. T. Goodin introduced the following resolution and moved its adoption:

WHEREAS this meeting has been called for the purpose of considering, acting and voting upon certain propositions, all of which more fully appear from the written notice of the said meeting to which reference is hereby made, and

WHEREAS, there is present at this meeting, by person or by proxy, stockholders of the Nevada Humboldt Tungsten Mines Company representing 991,800 shares out of the total issue of one million shares, and

WHEREAS, stockholders here assembled are desirous of voting, and would vote if permitted to vote, in favor of the said propositions referred to in the said notice of said meeting, and

WHEREAS, in view of the Restraining Order that has been issued out of the United States District Court in the District of Nevada, and which has been read to this meeting, it is necessary and proper that no action be taken by this meeting until the further order of the said District Court respecting the said Restraining Order has been made, and

WHEREAS the hearing of said matter has been set by said District Court on the 27th day of April, 1920, at ten o'clock A. M.

NOW THEREFORE BE IT RESOLVED to now adjourn, to reassemble [838—231] on the 29th day of April, 1920, at this same place of meeting at the hour of two o'clock, P. M., for the purpose of

then and there proceeding with the business for which the said meeting has been called in the event that said Restraining Order shall have at said time been modified or set aside so as to permit of such action, or then and there to take such further adjournment or action as may be necessary or proper.

The motion that said resolution be adopted was duly seconded by C. W. Poole. Thereupon the roll was called and a vote taken on the motion that said resolution be adopted with the result that all of the capital stock represented at said meeting either in person or by proxy was voted in the affirmative and in favor of the motion that said resolution be adopted, 991,800 shares being voted in favor of the adoption of said resolution.

The meeting thereupon adjourned to re-convene on the 29th day of April, 1920, at two o'clock P. M.

R. NENZEL,

Secretary.

I, R. Nenzel, the duly elected, qualified and acting secretary of the Nevada Humboldt Tungsten Mines Company, a Nevada corporation, do hereby certify that the attached and foregoing is a full, true and correct transcript of the minutes of a special meeting of the stockholders of said corporation duly called and held at the office of the Company in the City of Lovelock, County of Pershing, State of Nevada, on the 19th day of April, 1920.

IN WITNESS WHEREOF I have hereunto set

my hand and affixed the Seal of said Corporation this 20th day of April, 1920.

R. NENZEL, (Seal)
Secretary. [839—232]

[Endorsed]: Minutes. Special Meeting of Stockholders of the Nevada Humboldt Tungsten Mines Company, held April 19th, 1920. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. "A-19." Filed Sept. 22d, 1920. T. J. Edwards, Clerk. Booth B. Goodman, Attorney and Counsellor, Lovelock, Nevada.

Defendants' Exhibit "A-20."

MINING DEED.

THIS INDENTURE, Made this twenty-third day of August, A. D. one thousand nine hundred and nineteen, by and between NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, the party of the first part, and W. J. LORING, of the City and County of San Francisco, State of California, the party of the second part,

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of the United States, and other valuable considerations to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, does by these presents,

GRANT, CONVEY, REMISE, RELEASE and FOREVER QUIT-CLAIM unto the said party of the second part and to his heirs and assigns forever, all those certain Lode Mining Claims and mineral bearing lodes, veins and deposits, situated in an unorganized Mining District, in the County of Pershing, (Formerly the County of Humboldt), State of Nevada, and described as follows, to wit:

Gross Mine No. 2; Gross Mine No. 3; White Rock Mine; [840—233] and Sky High; all Lode Mining Claims, situated about seven miles Northwest of the Mill City station, on the Southern Pacific Railroad, copies of the location notices of which were duly recorded in the office of the County Recorder of Humboldt County, Nevada, in Book "S" of Notices at page 502 et. seq., reference to said records being hereby expressly made for greater certainty of description. Said claims being the same property described in that certain deed to Nevada Humboldt Tungsten Mines Company, a Nevada corporation, dated February 17th, 1917, and recorded in Book "53" of Deeds, at page 146, of the records of the County Recorder of said County of Humboldt, State of Nevada.

TOGETHER with all the dips, spurs, angles, leads, lodes, metals, ores, gold, silver and tungsten bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the

remainder and remainders, reversion and reversions, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the said party of the second part and to his heirs and assigns forever.

AND THE PARTY OF THE FIRST PART does hereby covenant with the party of the second part that it has full right, power and authority to sell and convey the said premises, as above done, and that the same are now free and clear from all encumbrances whatever, made or suffered by the party of the first part. [841—234]

IN WITNESS WHEREOF the party of the first part has, by resolutions of its Board of Directors and Stockholders, duly adopted, caused its corporate name to be subscribed hereto by its President and Secretary, and its corporate seal to be hereto affixed, the day and year first above written.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

[Seal]

Attest R. NENZEL,
Secretary.

(NOTE: Nine documentary stamps of \$10.00 each were attached to this instrument.)

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared be-

fore me Booth B. Goodman, a Notary Public in and for Humboldt County, L. A. FRIEDMAN, known to me to be the President of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. NENZEL, known to me to be the Secretary of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is [842—235] ac-

quainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

[Endorsed]: Recorded at request of Booth B. Goodman, Aug. 23, 1919, at 51 Min. past 4 o'clock P. M. Book 1, page 70-71 of Deeds. Records of Pershing County, Nev. C. L. Young, County Recorder. By ———, Deputy. File No. 338. Mining Deed. Nevada Humboldt Tungsten Mines Company to W. J. Loring. Dated August 23d, 1919. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. No. "20-A." Filed Sept. 22, 1920. T. J. Edwards, Clerk. Booth B. Goodman, Attorney at Law, Lovelock, Nevada.

Defendants' Exhibit "A-21."**DEED.**

THIS INDENTURE, Made this twenty-third day of August, A. D. One-thousand nine hundred and nineteen, by and between TUNGSTEN PRODUCTS COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, the party of the first part, and W. J. LORING, of the City and County of San Francisco, State of California, the party of the second part,

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of [843—236] the United States, and other valuable considerations, to it in hand paid, the receipt whereof is hereby acknowledged, does by these presents GRANT, BARGAIN and SELL and CONVEY and CONFIRM unto the said party of the second part and to his heirs and assigns forever all that certain lot, piece or parcel of land, situate, lying and being in the County of Pershing, (formerly the County of Humboldt), State of Nevada, and bounded and described as follows, to wit:

Beginning at the South-east corner of Section Twenty-seven (27), Township Thirty-four (34) North, Range Thirty-four (34) East, Mount Diablo Base and Meridian; thence North one-hundred (100) feet; thence East five hundred (500) feet; thence South six-hundred (600) feet; thence West six-

hundred (600) feet; thence North five-hundred (500) feet; thence East one-hundred (100) feet, to the place of beginning. Being the same property described in that certain deed thereof to Tungsten Products Company, a Nevada corporation, recorded in Book 1 of Deeds, at page 18, of the official records of the office of County Recorder of Pershing County, Nevada, to which record reference is hereby expressly made for greater certainty of description. Together with the concentrating mill, and all plants, fixtures, buildings and improvements thereon.

And also that certain easement for the flow of tailings from the mill, or any other plant or structure, on, or that may be constructed on, the tract of land above described, flowing on or over the North-east quarter (N. E. $\frac{1}{4}$) of Section Thirty-five (35), Township Thirty-four (34) North, Range Thirty-four (34) East, M. D. B. & M., together with the rights, privileges and [844—237] franchises thereto incident, appendant or appurtenant or therewith usually had and enjoyed. Being the same easement described in that certain deed thereof to the party of the first part, record of which appears in Book 1 of Deeds, at page 20, of the official records of the County Recorder of said Pershing County, State of Nevada, to which said record reference is hereby expressly made.

TOGETHER with all and singular the lands, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the remainder and remainders, reversion and reversions, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the said premises, and the easement above described, together with all and singular the appurtenances, unto the said party of the second part and to his heirs and assigns forever.

IN WITNESS WHEREOF the party of the first part has, by resolutions of its Board of Directors and Stockholders, duly adopted, caused its corporate name to be hereunto subscribed by its President and Secretary, and its corporate seal to be hereto affixed, the day and year first above written.

TUNGSTEN PRODUCTS COMPANY,

By L. A. FRIEDMAN,

President.

(Documentary Stamps to the value of \$70.00 attached.)

[Seal] Attest: R. NENZEL,
Secretary,

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, L. A. Friedman, known to me to be the President of the corporation that executed the [845—238] foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corpora-

tion, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

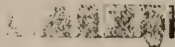
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal]

BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel known to me to be the Secretary of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of [846—239] Humboldt, the day and year in this certificate first above written.

[Seal]

BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt.
State of Nevada.

[Endorsed]: Recorded at request of Booth B. Goodman. Aug. 23, 1919, at 50 Min. past 4 o'clock P. M., Book 1, page 68-69 of Deeds, Records of Pershing County, Nev. C. L. Young, County Recorder. By ———, Deputy. File No. 337. Grant Bargain and Sale Deed—Tungsten Products Co. to W. J. Loring. Dated August 23d, 1919. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. No. "A-21." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-22."

DEED.

THIS INDENTURE, Made this twenty-third day of August, A. D. one thousand nine hundred and nineteen, by and between NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, the party of the first part, and W. J. LORING, of the City and County of San Francisco, State of California, the party of the second part,

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of the United States, and other valuable considerations to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, does by these presents, GRANT, BARGAIN, SELL, CONVEY and CONFIRM unto the said party of the second part and to his heirs and assigns forever, all that certain lot, piece or parcel of land situated in the County of Pershing (formerly the County of Humboldt), State of Nevada, and particularly described as follows, to wit: [847—240]

Beginning at the East quarter corner of Section Twenty-seven (27) Township Thirty-four (34) North, Range Thirty-four (34) East, Mount Diablo Base and Meridian; thence South, along the East line of said Section, to the South-west corner thereof; thence West, along the South line of said Section, to the South quarter corner thereof; thence Northwesterly, in a straight line, to the point or place of beginning, containing eighty (80) acres, according to the United States Public Surveys; said land being the same ground described in that certain deed to the party of the first part dated the 25th day of April, 1918, and recorded in the office of the County Recorder of Humboldt County, Nevada, in Book 53 of Deeds at Page 76; reference being hereby made to said deed and the record thereof for a more particular description of said land.

TOGETHER will all and singular the lands, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, or therewith usually had and enjoyed, and also the remainder and remainders, reversion and reversions, rents, issues and profits thereof.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the said party of the second part, and to his heirs and assigns forever.

IN WITNESS WHEREOF said Nevada Humboldt Tungsten Mines Company, has, by resolutions of its Board of Directors and Stockholders, duly adopted, caused its name to be subscribed hereto by its President and Secretary, and its corporate seal to be hereto affixed, the day and year first above written.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

[Seal]

Attest: R. NENZEL,
Secretary.

(NOTE: Documentary stamps to the value of \$90.00 attached to the above.) [848—241]

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman a Notary Public in and for Humboldt County, L. A. Friedman known

to me to be the President of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

(Seal)

BOOTH B. GOODMAN,

Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman a Notary Public in and for Humboldt County, R. Nenzel known to me to be the Secretary of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the official of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were

made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

(Seal) BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada. [849—242]

[Endorsed]: Recorded at request of Booth B. Goodman, Aug. 23, 1919, at 52 Min. past 4 o'clock P. M., Book 1, page 71-72 of Deeds. Records of Pershing County, Nev. C. L. Young, County Recorder. By ———, Deputy. File No. 339. Grant Bargain and Sale Deed—Nevada Humboldt Tungsten Mines Company to W. J. Loring. Dated August 23d, 1919. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. "A-22." Filed Sept. 22. 1920. T. J. Edwards, Clerk. Booth B. Goodman, Attorney at Law, Lovelock, Nevada.

Defendants' Exhibit "A-23."

ASSIGNMENT.

KNOW ALL MEN BY THESE PRESENTS:
That Nevada Humboldt Tungsten Mines Company and Tungsten Products Company, both corporations organized and existing under and by virtue of the

laws of the State of Nevada, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of the United States and other valuable considerations to them in hand paid, the receipt whereof is hereby acknowledged, have sold, assigned, transferred, conveyed and set-over and by these presents do hereby sell, assign, transfer and set-over unto W. J. LORING, of the city and county of San Francisco, State of California, and his heirs, executors, administrators and assigns, all of the right, title, interest, claim and demand, in, to or of any moneys which is, or may be found to be due or payable to said Nevada Humboldt Tungsten Mines Company or Tungsten Products Company, from the Government of the United States of America by reason of any claim for relief, made by said Nevada Humboldt Tungsten Mines Company or Tungsten Products Company, (jointly or severally) under the provisions of that certain Act of the Congress of the United States of America known as "War Minerals Relief Act. Giving and granting unto said W. J. Loring full [850—243] power and authority to receive, collect and give acquittance for the same or any part thereof in the name of said Nevada Humboldt Tungsten Mines Company or Tungsten Products Company, or otherwise, but at his *won* cost.

And said Nevada Humboldt Tungsten Mines Company and Tungsten Products Company hereby covenant and agree that if said moneys or any part thereof shall be paid to them or either of them they

will immediately pay the same over to said W. J. Loring, or his assigns.

IN WITNESS WHEREOF said Nevada Humboldt Tungsten Mines Company and Tungsten Products Company have, by resolutions of their respective Boards of Directors and Stockholders, caused their corporate names to be subscribed hereto by their respective Presidents and Secretaries and their corporate seals to be hereto affixed this twenty-third day of August, 1919.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY.

By L. A. FRIEDMAN,
President.

[Seal]

Attest: R. NENZEL,
Secretary.

TUNGSTEN PRODUCTS COMPANY.

By L. A. FRIEDMAN,
President.

[Seal]

Attest: R. NENZEL,
Secretary. [851—244]

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, L. A. Friedman known to me to be the President of the corporation that executed the foregoing instrument and upon oath, did depose that he is the officer of said corporation as above

designated; that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel known to me to be the Secretary of the corporation that executed the foregoing instrument and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed

the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada. [852—245]

[Endorsed]: Assignment — Nevada Humboldt Tungsten Mines Company, and Tungsten Products Company to W. J. Loring. Dated August 23d, 1919. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Defts. Ex. No. "A-23." Filed Sept. 22, 1920. T. J. Edwards, Clerk. Booth B. Goodman, Attorney at Law, Lovelock, Nevada.

Defendants' Exhibit "A-24."

BILL OF SALE.

KNOW ALL MEN BY THESE PRESENTS: THAT NEVADA HUMBOLDT TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of the United States, and other good and valuable consideration to it in hand paid by W. J. Loring, of the City and County of San Francisco, State of

California, the receipt whereof is hereby acknowledged, has granted, sold, conveyed, assigned, transferred and set-over and by these presents does hereby grant, sell, convey, assign, transfer and set over unto said W. J. Loring, his heirs, executors, administrators and assigns, the following goods and chattels, to wit:

All of the personal property, goods, and chattels now owned by said Nevada Humboldt Tungsten Mines Company, of any and every kind and description and wheresoever situated, whether hereinafter particularly described or not, excepting only the books and records and the corporate seal of said corporation, and except any item of cash in bank above the amount of \$195.46, and except supplies now at Mill City amounting to \$592.85 (being supplies from the following companies or [853—246] firms: Baker, Hamilton & Pacific Co. \$3.27, \$25.78, and \$19.10; B. B. G. The Gallagher Machinery Co. \$120; ~~The Giant Powder Co.~~ ~~\$813.40~~; Allis-Chalmers Mfg. Co. \$353.60, and the Stearns-Roger Co., \$71.10), and including the following goods and chattels, to wit:

All ore in dumps, at mills or in the mines; all buildings erected upon any lands heretofore owned by said corporation; all tungsten concentrates in the mill heretofore owned by Tungsten Products Company, or in the possession of W. J. Loring, Pacific Tungsten Company, or Wells-Fargo Nevada National Bank of San Francisco, PRO-

fifty

VIDED, HOWEVER, that ~~one~~ hundred tons of

concentrates hereby conveyed, being concentrates constructively in the possession of Wells-Fargo Nevada National Bank of San Francisco, is sold subject to the condition that said W. J. Loring shall not sell, remove or dispose of the same until they have been released from the lien of said Wells-Fargo Nevada National Bank by payment or securing of the indebtedness of said Nevada Humboldt Tungsten Mines Company to said Bank.

Also, all bills payable to Nevada Humboldt Tungsten Mines Company, including all moneys due from the sale of concentrates to Western Ore Purchasing Company, of Reno, Nevada, or from other persons, firms or corporations; all machinery of every kind and description, including engines; compressors; motors, belting cables, hoists, mine cars, tracks, buckets, skips, drilling steel, jack-hammers, stoping or drilling machines of every kind and description; all picks, shovels, blacksmiths', carpenters' or machinists' tools and equipment of every kind and description; all wagons and trucks; all motors and electrical supplies; all mine or mill supplies of every kind and description whatsoever or wheresoever situated, including [854—247] powder; all boarding-house and bunkhouse furniture, furnishings and equipment of every kind; Also, including in this conveyance (15,000) fifteen thousand shares of the capital stock of Mill City Development Company, a Nevada corporation, certificates for which will be endorsed and delivered with this bill of sale;

Also, all the right, title, interest, claim or demand of, in, or to any and all moneys which may be due, or which may hereafter be found to be due to said Nevada Humboldt Tungsten Mines Company from the Government of the United States by reason of any claim for relief which it has filed or presented under that certain Act of Congress commonly known as the War Minerals Relief Act, and, in brief, every article of personal property (including book-account credits) not expressly herein excepted,—

TO HAVE AND TO HOLD, all and singular, the said goods, chattels and personal property to the said W. J. LORING and to his heirs, executors, administrators and assigns forever.

And said NEVADA HUMBOLDT TUNGSTEN MINES COMPANY hereby covenants with the said W. J. Loring, grantee, his heirs, and assigns, that it is the lawful owner of the goods and chattels; that it has a good right to sell the same as aforesaid; and that it will warrant and defend the same against all lawful claims and demands of all persons.

IN WITNESS WHEREOF, said Nevada Humboldt Tungsten Mines Company has, by resolutions duly adopted, caused these presents to be executed by its President and Secretary and its corporate

seal to be hereto affixed this twenty-third day of August, A. D. 1919.

NEVADA HUMBOLDT TUNGSTEN
MINES COMPANY,

[Seal]

By L. A. FRIEDMAN,

President. [855—248]

[Seal]

Attest: R. NENZEL,

Secretary.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, R. Nenzel known to me to be the Secretary of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal]

BOOTH B. GOODMAN,

Notary Public in and for the County of Humboldt,
State of Nevada.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me Booth B. Goodman, a Notary Public in and for Humboldt County, L. A. Friedman known to me to be the President of the corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of Humboldt, the day and year in this certificate first above written.

[Seal] BOOTH B. GOODMAN,
Notary Public in and for the County of Humboldt,
State of Nevada.

[Endorsed]: Bill of Sale—Nevada Humboldt Tungsten Mines Company [856—249] to W. J. Loring. Dated August 23, 1919. Recorded at request of Booth B. Goodman Aug. 23, 1919, at 54

min. past 4 o'clock P. M. Book 1, page 19-20-21 of Liens & Miscellaneous Records of Pershing County, Nev. C. L. Young, County Recorder. By ——— Deputy. File No. 341. No. B-7. U. S. Dist. of Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Defts. Ex. "A-24." Filed Sept. 22, 1920. T. J. Edwards, Clerk. John F. Davis, Attorney at Law, Humboldt Savings Bank Building. Telephone Douglas 3865, San Francisco, Cal.

Defendants' Exhibit "A-25."

MORTGAGE TO SECURE PURCHASE PRICE.

THIS INDENTURE, made and entered into the 23d day of August, in the year of our Lord One Thousand Nine Hundred and Nineteen, by and between W. J. LORING, of the City and County of San Francisco, State of California, the party of the first part, and NEVADA TUNGSTEN MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, and TUNGSTEN PRODUCTS COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, the parties of the second part, WITNESSETH:

Whereas, the party of the first part has this day bought from the parties of the second part, and the parties of the second part have this day sold to the party of the first part, and to his heirs and assigns forever, all of the property hereinafter described, together with other property, for the sum of Three Hundred and Thirty-Three Thousand Three Hun-

dred and Thirty-three and 33/100 Dollars (\$333,333.33), in lawful money of the United States, which said sum of money said party of the first part has obligated himself to pay to the parties of the second part, in accordance with the provisions [857—250] of that certain contract in writing, dated the 16th day of August, 1919, between the parties of the second part herein as parties of the first part therein, and the party of the first part herein as party of the second part therein, in installments, at the times, and in the manner, and in accordance with the provisions of said contract in writing of August 16th, 1919.

NOW, THEREFORE, in consideration of the premises, and in consideration of the sum of One Dollar in hand paid to the party of the first part herein by the parties of the second part herein, the receipt whereof by the party of the first part herein from the parties of the second part herein is hereby acknowledged, and for other good and valuable considerations him hereunto moving, the party of the first part herein does by these presents grant, bargain, sell and convey unto the parties of the second part herein, and to their successors and assigns forever, all those certain pieces or parcels of land situate in the County of Pershing, formerly the County of Humboldt, of Nevada, more particularly described as follows:

The Gross Mine No. 2, Gross Mine No. 3, White Rock Mine, and Sky High, lode mining claims, situated about seven miles northwest of Mill City station, on the Southern Pacific Railroad, copies of

the location notices of which were duly recorded in the office of the County Recorder of said Humboldt County, in Book "S" of Notices, at page 502, reference to which said records for purposes of greater certainty of description is hereby expressly made, being the same property described in that certain Deed thereof to Nevada Humboldt Tungsten Mines Company, a Nevada corporation, dated February 17, 1917, and recorded in Book 53 of Deeds, page 146, records of the County Recorder of said Humboldt County, State of Nevada;

Together with all the dips, spurs and angles, leads, lodes, metals, ores, gold, silver and tungsten bearing quartz, rock and earth therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed;

Also, that certain lot, piece or parcel of land situated [858—251] in the County of Pershing, (formerly the County of Humboldt,) State of Nevada, and described as follows, to wit:

Beginning at the East quarter corner of Section Twenty-Seven (27), and Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; thence South, along the East line of said Section, to the Southwest corner thereof; thence West, along the South line of said Section, to the South quarter corner thereof thence northwesterly, in a straight line, to the place of beginning, containing eighty (80) acres, according to the United States Public Surveys together with all the rights,

•

privileges and appurtenances thereunto belonging or in anywise appertaining, being the same ground deeded to the Nevada Humboldt Tungsten Mines Company, a Nevada Corporation, in that certain deed, dated April 25, 1918, recorded in Book 53, page 76, of Deeds, records of the office of the County Recorder of said County of Humboldt, State of Nevada;

Also, that certain piece or parcel of land lying, situate and being in the County of Pershing (formerly County of Humboldt), State of Nevada, more particularly described as follows:

Beginning at the Southeast corner of Section Twenty-seven (27), Township Thirty-four (34) North, Range Thirty-four (34) East Mt. Diablo Base and Meridian; thence North one Hundred feet, thence east five hundred (500) feet thence south six hundred (600) feet; thence west six hundred (600) feet; thence north five (500) hundred feet, thence east one hundred (100) feet, to the place of beginning. Being the same property described in that certain Deed thereof to Tungsten Products Company, a Nevada corporation, described in Book 1 of Deeds, page 18, official records in the office of the County Recorder of Pershing County, State of Nevada, to which said record reference is hereby expressly made; together with the mill, plant, improvements, tenements, and hereditaments thereon, and all the rights, privileges, easements and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed;

Also, that certain easement for the flow of tail-

ings from the mill, or any other plant or structure, on, or that may be constructed on, said last above described tract flowing on or over the northeast quarter of Section Thirty-five (35), Township Thirty-four (34) North, Range Thirty-four (34) East, Mt. Diablo Base and Meridian; together with all the rights, privileges and franchises thereto incident, appendant, and appurtenant, or therewith usually had and enjoyed. Being the same easement described in that certain Deed thereof recorded in Book 1 of Deeds, page 20, official records in the office of the County Recorder of the County of Pershing, State of Nevada, to which said record reference is hereby expressly made;

Together with all mills, buildings, improvements and equipment erected upon or in any of the land hereinbefore described; and including all property thereon or therein which constitutes real property under the provisions of the laws of the State of Nevada in such case made and provided. [859—252]

This conveyance is intended as a mortgage, to secure the payment of Three Hundred Thirty-three Thousand, Three Hundred and Thirty-three and $33/100$ (\$333,333.33) Dollars, in lawful money of the United States, as the purchase price of said and other property, upon the following installments and at the following times, to wit:

\$50,000.00 thereof on or before the 1st day of September, 1919,

\$50,000.00 thereof on or before the 1st day of October, 1919,

\$50,000.00 thereof on or before the 15th day of November, 1919,

\$50,000.00 thereof on or before the 27th day of December, 1919,

\$33,333.33 thereof on or before the 4th day of February, 1920,

\$25,000.00 thereof on or before the 4th day of May, 1920,

\$25,000.00 thereof on or before the 4th day of August, 1920,

\$25,000.00 thereof on or before the 4th day of November, 1920, and

\$25,000.00 thereof on or before the 4th day of February, 1921,

all of said payments of installments of said purchase price to be made in cash, or by certified check, or by Cashier's check, or bank telegraph transfer, to the credit of the parties of the first part, at the First National Bank of Lovelock, Nevada, by payment thereof to its Cashier, J. T. Goodin, who is Trustee for certain creditors of said parties of the second part herein, who shall, first, pay off the loan of \$10,000 procured by him to pay off labor claims, and shall thereafter pay out said installments so received to the respective creditors represented by him in accordance with his trust, but the payment thereof by said party of the first part herein to said Cashier and Trustee, or to his successors as such, shall be a complete performance by said party of the first part herein of the payment of each installment so paid, and said party of the first part herein shall not be ob-

ligated to ascertain whether said payments of said Cashier or Trustee have been properly distributed; according to the conditions of that certain written contract dated the 16th day of August, 1919, above mentioned, and these presents shall be void, if such payments be made [860—253] according to the tenor and effect thereof.

It is hereby understood and agreed, that the party of the first part shall, while this mortgage continues in force and effect and until the debt secured thereby shall be discharged, cause to be performed upon each of the unpatented mining claims in the property above described, the annual assessment work necessary to protect the same under the provisions of the Statutes of the United States and of the State of Nevada in such case made and provided;

IT IS FURTHER UNDERSTOOD AND AGREED, that the party of the first part herein shall have the right to conduct and operate said property, during the existence of this mortgage and until the debt secured thereby shall have been extinguished, to extract, ship, reduce and sell ore and concentrates therefrom, and shall apply the net proceeds of any concentrates derived from said operations, by him first, to the payment of the debt of the parties of the second part herein as set forth in said written contract of August 16th, 1919, obtaining credit therefor upon the installment of the purchase price in the manner therein set forth, and thereafter shall have the right to apply such net proceeds upon said installments of

the purchase price as will then remain, and shall have the right of necessary repair, renewal and replacement of machinery, tools, and equipment while so doing with machinery, tools and equipment of equal make and value, but all work and operations conducted by him upon or in said property or any part thereof shall be performed and done in a good and miner-like manner; and neither said parties of the second part, nor said property, nor any of them, shall be liable for the cost or expense of operating or conducting mining, milling, or reduction works [861—254] on or in said property, or for labor employed thereon or therein or material furnished thereon or therein, at the instance or request of said party of the first part herein or of his heirs, administrators, or assigns, but said party of the first part herein, his heirs, administrators and assigns shall be responsible for such costs and expenses;

IT IS FURTHER UNDERSTOOD AND AGREED, that said party of the first part herein will cause to be recorded in the proper recording office and posted in the proper places upon said property any notices requested by the parties of the second part herein, that may be necessary to protect said property from liens under the provisions of the Statute in such case made and provided;

IT IS FURTHER UNDERSTOOD AND AGREED, that said party of the first part herein will pay, or cause to be paid, all taxes that may be levied upon said property by national, state,

county, or district authority, during the continuance of this mortgage, and until the debt secured thereby shall have been extinguished;

IT IS FURTHER UNDERSTOOD AND AGREED, that said party of the first part herein shall cause the buildings upon said property to be insured against fire in reputable fire insurance companies authorized and doing business under the provisions of the laws of the United States and of the State of Nevada, and having the right to operate in said State of Nevada, in a sum of not less than \$82,950.00, and shall apportion said amount of insurance upon said property, as follows: mill buildings, not less than \$35,000; mill machinery, not less than \$40,000; superintendent's residence, not less than \$1,000; boarding-house and fittings, not less than \$800; twelve cottages [862—255] now upon said property, not less than \$1,800; compressor's building, not less than \$400; compressor machinery, not less than \$1,500; gallows-frame on S. P. ground, not less than \$300, hoist-building at S. P. shaft, not less than \$100; hoist engine at S. P. shaft, not less than \$500; gallows-frame, Carlson, not less than \$500; blacksmith's shop, not less than \$300; office and warehouse, not less than \$750.

It is understood and agreed, that, in case said party of the first part herein should fail or neglect to pay any of said taxes when due, or fail or neglect to cause to be performed any of said annual assessment work required by the provisions of the Statutes of the United States or the State of Nev-

ada, when necessary, the parties of the second part herein, or either of them, shall have the right, at their option, to pay said taxes, or fire insurance premiums upon the above insurance, or to cause said assessment work to be performed and to advance the money necessary therefor, and these presents shall constitute a security to them for the repayment of any such advances, as well as for the payments of the installments of the purchase price of said property hereinbefore set forth.

IT IS UNDERSTOOD AND AGREED, that if any installment of the purchase price hereinbefore set forth shall not be punctually paid when the same shall become due and payable, and for five days thereafter, as in said written contract of August 16th, 1919, and in this mortgage mentioned, then and in such case the whole of the balance of said purchase price then remaining unpaid shall be taken to be wholly due and payable, at the option of said parties of the second part herein, or of either of them, and proceedings may forthwith be had by said parties of the second part, their successors and assigns, [863—256] for the recovery of the same, either by suit on said contract of August 16th, 1919, or on this mortgage, anything in said contract or in this indenture contained to the contrary thereof notwithstanding. And in any suit or other proceedings that may be had for the recovery of said balance of said purchase price, on either said contract or this mortgage, it shall and may be lawful for said parties of the second part herein, their successors or assigns, to include in

the judgment that may be recovered, such reasonable counsel fees and charges of attorneys and counsel employed in such foreclosure suit as shall be fixed by the Court having jurisdiction of such foreclosure suit, as well as all payments that the parties of the second part herein, or either of them, or their successors or assigns, may make for their security, or for the security of either of them, on account of taxes or moneys expended for the payment of fire insurance premiums, or for annual assessment work upon said premises, as hereinbefore mentioned.

IN WITNESS WHEREOF, the party of the first part has hereunto set his hand and seal, the day and year herein first above written.

W. J. LORING.

State of Nevada,
County of Pershing,—ss.

On this 23d day of August, A. D. one thousand nine hundred and nineteen personally appeared before me, Booth B. Goodman, a Notary Public in and for Humboldt County, W. J. LORING known to me to be the person described in and who executed the foregoing instrument who acknowledged to me that he executed the same, freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in Lovelock, County of [864—257] Pershing, the

day and year in this certificate first above written.

BOOTH B. GOODMAN,

Notary Public in and for the County of Humboldt,
State of Nevada, acting in Pershing County.

[Endorsed]: Recorded at request of R. Nenzel. Aug. 23, 1919, at 54 min. past 4 o'clock, P. M. Book 1, page 57, 58, 59, 60, 61, of Real Estate Mortgages, Records of Pershing County, Nev. Chattel Mortgages, pages 26, 27, 28, 29, 30. C. L. Young, County Recorder. By ———, Deputy. File No. 342. Mortgage to Secure Purchase Price. W. J. Loring to Nevada Tungsten Mines Co., and Tungsten Products Company. Dated August 23d, 1919. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. H. T. M. Co. et al. Defts. Ex. "A-25." Filed Sept. 22d, 1920. T. J. Edwards, Clerk. John F. Davis, Attorney at Law, Humboldt Savings. Telephone Douglas 3865. (Note: Cover torn.)

Defendants' Exhibit "A-26."

ARTICLE I.

NAME, LOCATION AND OFFICE.

The name of this corporation shall be the NEVADA HUMBOLDT TUNGSTEN MINES CO.

The company shall have its principal office in the town of Lovelock, Humboldt County, Nevada, where its corporate business may be transacted and its stockholders' and directors' meetings held.

ARTICLE II.

SEAL.

The seal of the company shall consist of two concentric circles between which are inscribed the words "NEVADA HUMBOLDT TUNGSTEN MINES COMPANY" and "INCORPORATED Feb'y. 1917," and inside of these the word "Seal." [865—258]

ARTICLE III.

STOCKHOLDERS' MEETINGS.

Stockholders may vote at all meetings either in person or by proxy appointed by instrument in writing subscribed by the stockholder or his duly authorized attorney. Proxies, to be voted, must be filed with the secretary at least five days before the date of any meeting at which same is to be used. Each stockholder is entitled to one vote for each share of stock standing in his name on the books of the company at the time of the meeting. Shares hypothecated to the company shall not be represented.

Stockholders holding a majority in amount of the stock issued and outstanding shall be necessary and sufficient to constitute a quorum for the transaction of business. If less than a quorum be present, the meeting may be adjourned from time to time by a majority in interest of the stockholders present, for a period not exceeding one month, without any notice other than the announcement of the meeting, until a quorum be present. Any meeting at which a quorum is present may also be adjourned in like manner, by a

majority in interest of the stockholders present, for such a time, or upon such call, as is determined by vote. At any such adjourned meeting, at which a quorum shall be present, any business may be transacted which might have been attended to at the meeting as originally called.

The annual meeting of the stockholders after the year 1917, shall be held on the "second Monday in May," in each year, at 10 o'clock a. m. and the secretary shall give notice thereof without being specially requested so to do. [866—259] At such meeting the company shall elect directors and transact any other business properly coming before the meeting.

Special meetings of the stockholders shall be called by the secretary at the written request of the president or a majority of the directors.

All stockholders' meetings, whether annual or special, shall be called by the secretary by mailing a written or printed notice thereof, stating the day, hour and place of meeting; and in case of special meetings, the general nature of the business to be transacted, to each stockholder of record at his last known postoffice address, postage prepaid, at least five days, exclusive of the day of mailing, before the date of the meeting; or such meeting may be called by the secretary by publishing notice thereof stating the day, hour and place of meeting; and in case of special meetings, the general nature of the business to be transacted, for three successive times; the last publication to be at least two days before the date of the meeting,

and notice given in either of the foregoing modes shall be valid. Failure on the part of a stockholder to receive notice of the meeting shall not invalidate the proceedings at such meeting.

If all of the stockholders, in writing, waive notice of a special meeting, no notice of such meeting shall be required. All meetings of stockholders, at which all are present, either in person or by proxy, are legal and valid for all purposes, whether or not previous notice thereof has been given, and at such meeting any corporate action may be taken. [867—260]

ARTICLE IV.

DIRECTORS' MEETINGS.

The newly elected board of directors may hold its first meeting for the purpose of organization and transaction of business, without notice, at such time and place as shall be fixed at the annual meeting by vote of the stockholders; or the time and place of the first meeting may be fixed by consent in writing of the directors.

At such meeting the board shall elect a president, one or more vice-presidents, a secretary and a treasurer. The president and vice-president, or vice-presidents, shall be chosen from among the directors. The secretary may be elected from the directors or stockholders but he need be neither. The secretary may also act as treasurer. All of the directors shall be stockholders and if a director shall dispose of all of his stock his office shall *ipso facto* become vacant, and the statement of the secretary that the said director has no stock,

of record, in his name shall be sufficient evidence of such fact for the board to declare the office vacant and to proceed to the election of his successor.

A majority of the whole board shall be necessary to constitute a quorum but a less number may adjourn a meeting from time to time until a quorum is present. Meetings of the board may be called by the president on three days' notice to each director, either personally or by telegram, and may be held at such place, either within or without the state as shall be stated in the notice.

ARTICLE V.

OFFICERS OF THE COMPANY.

The officers of the company shall be a president, [868—261] one or more vice-presidents, a secretary and a treasurer, who shall be elected by the board of directors at their annual meeting and hold office for one year or until their successors are elected and qualified. In case the election of officers shall not be had on the day of the annual meeting, such officers may be chosen at an adjourned meeting or any subsequent meeting called for that purpose.

ARTICLE VI.

PRESIDENT.

The president shall be elected annually by the board of directors and shall be subject to the control and direction of the company. He shall preside at all meetings of the company, both stockholders' and directors'; shall have general superintendence and direction of all the other officers of the com-

pany and shall see that all orders and resolutions of the board are carried into effect. He shall execute all deeds, mortgages, bonds and other documents authorized by the board requiring a seal, under the seal of the company. He shall counter-sign all checks. He shall whenever requested, report to the board on all matters within his knowledge, which the interests of the company may require; perform such other duties as may be required of him by law, these by-laws, and by the board, and in general shall have all the powers and duties incident to the office of the president of a corporation.

ARTICLE VII.

VICE-PRESIDENTS.

The vice-president, or vice-presidents, if the board of directors deem it advisable to choose more than one, shall be elected annually by the board of directors and shall [869—262] be vested with the powers and shall perform the duties of the president in his absence or inability to act.

ARTICLE VIII.

SECRETARY.

The secretary shall be elected annually by the board of directors. He shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors and all other notices required by law, these by-laws or the board. He shall keep a true record of all meetings of the board and the stockholders and perform such other duties as may be prescribed by the board of the president, under whose supervision he shall be. He

shall have the custody of the seal of the company and when authorized shall affix it to any instrument requiring it, and attest the same and the signature of the company. He may be sworn to the faithful discharge of his duties. He shall sign all checks or other instruments for the payment of money. One or more assistant secretaries may also be appointed who shall be authorized to sign stock certificates.

ARTICLE IX.

TREASURER.

The treasurer shall keep the full and accurate accounts of the receipts and disbursements in books belonging to the company, and shall deposit all moneys and other valuable effects in its name and to its credit in such depositories as the board of directors may designate. He shall render to the president and directors at the regular meetings of the board or whenever they may require it, an account of all his transactions and of the financial condition of the [870—263] company. If required, he shall give the company a bond in such sum as the board may designate, and with satisfactory sureties, for the faithful discharge of his duties, and for the restoration to the company, in case of his death, resignation or removal from office, of all of its books, papers, vouchers, money or property of whatever kind in his possession.

ARTICLE X.

BOARD OF DIRECTORS.

The immediate government and direction of the affairs of the company shall be vested in the board

of directors. They must be and remain stockholders. In addition to the powers and authorities expressly conferred upon them, all of the powers of the company, except as otherwise provided by law or these by-laws, are vested in them.

Without prejudice to the general powers conferred, the board shall have the following powers, to wit:

1st. To make and change rules and regulations for the management of the company's business and affairs.

2d. To lease, purchase or otherwise acquire, sell, assign or otherwise convey, in any lawful manner for and in the name of the company, any of its real estate or other property, rights, privileges, whatsoever, deemed necessary or convenient and on such terms and conditions as they think fit, and at their discretion to pay, or accept therefor, either wholly or in part, money, stocks, bonds, debentures or other securities, either of this company or of any other.

3d. To create, issue and make, mortgages, bonds, deeds of trust, trust agreements, and (or) negotiable instruments and securities, secured by mortgage or otherwise, not to [871—264] exceed ten per centum of the capital of the company, and to do every other act or thing necessary to effectuate the same.

4th. To appoint, at their discretion, remove or suspend, such agents as they think fit, and to determine their salaries.

5th. Any action of a majority of the board, although not at or as a regularly called meeting, and the record thereof, if assented to in writing by all the other members of the board, shall be valid and effective in all respects as if passed by the board in regular meeting.

ARTICLE XI.

RESIGNATION.

Any director or other officer may resign at any time. Such resignation to be in writing and to take effect at the time therein specified. No acceptance of such resignation shall be necessary to make it effective.

ARTICLE XII.

FILLING OF VACANCIES.

If the office of one or more directors or other officers of the company become vacant by reason of death, resignation, disqualification, or otherwise, the remaining director, or directors, although less than a quorum, may choose or appoint a successor who shall hold office for the unexpired term.

ARTICLE XIII.

DELEGATION OF DUTIES.

In case of the absence of any officer of the company, the board may delegate his powers and duties to any other officer or to a director for the time being, upon the consent of a majority of the board.
[872—265]

ARTICLE XIV.

THE ISSUE AND TRANSFER OF STOCK.

The president shall cause to be issued to each stockholder one or more certificates representing

the number of shares owned by him in the company, signed by the president, or vice-president, and attested by the secretary and bearing the corporate seal. The stock of the company shall be transferable upon its books only by the holders of the shares, in person, or by their legal representatives, and only upon the surrender of the certificates to the company. A record shall be made and kept of all issues and transfers. The company shall treat the registered holder of any share as the absolute owner thereof and shall not be bound to recognize any claim to, or interest in, such shares on the part of any other person, whether he shall have notice thereof or not.

ARTICLE XV.

LOSS OF CERTIFICATES.

Any persons claiming a certificate of stock to have been lost, destroyed or stolen, shall make an affidavit to that effect and give the company such indemnity as the board may require before a new certificate of the same tenor as the one alleged to have been lost, destroyed or stolen, shall be issued.

ARTICLE XVI.

DIVIDENDS.

The board of directors shall declare dividends out of the surplus profits whenever they deem it expedient. [873—266]

ARTICLE XVII.

NOTICE.

Whenever a notice is required by the statutes or by the by-laws to be given to stockholders, directors, or officers, personal notice is not meant, un-

less expressly so stated, and any notice so required, other than by publication, shall be deemed sufficient if given by depositing the same in a post office box, post paid, to such person, and such notice shall be deemed to have been given at the time the same is mailed.

ARTICLE XVIII.

WAIVER OF NOTICE.

Any stockholder, officer or director may waive any notice required to be given under these by-laws.

ARTICLE XIX.

AMENDMENTS.

The board of directors shall have power, concurrently with the stockholders, to alter, amend or change these by-laws.

We, the undersigned, stockholders (or Incorporators) of the "Nevada Humboldt Tungsten Mines Company," owning two-thirds of the subscribed capital stock of said corporation, having read and considered the foregoing code of by-laws for said corporation, hereby adopt same.

H. J. MURRISH,
C. H. JONES and
V. A. TWIGG,
1,000,000 shares.

[Endorsed]: Book of By-laws. Nevada Humboldt Tungsten Mines Co. Copy. No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Defts. Ex. "A-26." Filed Sept. 22, 1920. T. J. Edwards, Clerk. [874—267]

Defendants' Exhibit "A-27."

NEVADA HUMBOLDT TUNGSTEN MINES CO.
Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock, Nevada.

Lovelock, Nevada, July 21st, 1919.

Mr. W. L. Loring,
Crocker Building,
San Francisco,
California.

Dear Sir:

We are in receipt of your letter of even date asking for an option on our stock and that of our associates in the Nevada Humboldt Tungsten Mines Company, the Tungsten Products, as well as our interest in the Mill City Development Company. The terms of said option are set forth in copy of your letter hereto attached.

The price, terms and conditions, as outlined in your letter, are satisfactory to us and we hereby grant you this option.

Yours very truly,
L. A. FRIEDMAN,
C. W. POOLE,
C. H. JONES,
G. K. HINCH,
R. NENZEL,
LENA J. FRIEDMAN.

LAF-O.

Lovelock, Nevada, July 21st, 1919.

L. A. Friedman, President,

Nevada Humboldt Tungsten Mines Company,
and Tungsten Products Company,
Lovelock, Nevada.

Dear Sir:

I beg to confirm my conversation with you this morning with reference to an option that I wish to secure from you and your associates upon the property of the Nevada Humboldt [875—268] Tungsten Mines Company, Tungsten Products Company and also the interest of the Mill City Development Company, which I understand to be as follows:

I understand that the total indebtedness of the company, at the present time, is about \$200,000.00, and it is my understanding that the first payments made are to be for the purpose of liquidating the indebtedness referred to, and should it be found that a larger sum than \$200,000.00 will be necessary to liquidate the indebtedness of the company, that the same shall be taken from the payments that will follow after \$200,000.00 has been received by yourselves. These payments are to be made on the following dates, for the following amounts, namely:

4th of August, 1919	\$50,000.00
4th of Sept., “	\$50,000.00
4th of Nov., “	\$50,000.00
4th of Dec., “	\$50,000.00
4th of January, 1920	\$33,333.33
4th of March, “	\$25,000.00

4th of May,	“	\$25,000.00
4th of August,	“	\$25,000.00
4th of Nov.,	“	\$25,000.00

Making a total of \$333,333.33

It is understood by me that any money that may be received from the government, as relief under the War Minerals Relief Bill, shall be for the benefit of the purchases of your company and its rights, and that all concentrates on hand, or in transit, and all moneys owing to the company at the time of making the first payment shall belong to the purchasers. Also, whatever amount is secured from the government as Relief under the War Minerals Relief Bill it is understood shall be applied immediately to the liquidating of indebtedness; the payment of indebtedness next coming due in accordance with the terms of this agreement.

It is also understood that no part of the agreement is [876—269] to be considered in option except that part from the date hereof until the 4th of August, 1919, during which time I am to make such preliminary arrangements as I may see fit for further carrying into effect the terms of this agreement, or abandoning the same. I might state here, that I may find that two weeks will be inadequate for me to make the necessary financial arrangements for carrying this agreement into effect, and should I find it necessary to ask for an extended few days, I dare say that that time will be granted me, providing that I show good faith in

my actions from this occasion to the end of the two weeks' period, referred to.

It is understood that should at the end of the two weeks' period referred to that this agreement is to be put into effect, that it will be confirmed by properly drawn up legal document.

With kindest regards, I remain,

Faithfully yours,

W. J. L.

WJL-O.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co, et al. Re Loring Option. Defts. Ex. No. "A-27." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit No. "A-28."

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY.

Mines Located Near Mill City, Humboldt County,
Nevada.

Office, Lovelock, Nevada.

Lovelock, Nevada, August 9th, 1919.

Mr. W. J. Loring,

614 Crocker Bldg.,

San Francisco, Cal. [877—270]

My dear sir:

We are in receipt of your letter of even date modifying the terms of the option given you on the 21st of July, 1919, a copy of your letter being hereto attached.

This is to certify that we agree to the terms and conditions as outlined in your letter.

Yours very truly,
L. A. FRIEDMAN.
C. W. POOLE.
G. K. HINCH.
R. NENZEL.
C. H. JONES.
H. J. MURRISH.
LENA J. FRIEDMAN.

LAF-O.

Lovelock, Nevada, August, 9th, 1919.

L. A. Friedman, President.

Nevada Humboldt Tungsten Mines Co.

Tungsten Products Company,

Lovelock, Nevada.

My dear sir:

With reference to the letter received from you dated the 9th of August, 1919, signed by L. A. Friedman, C. W. Poole, R. Nenzel, G. K. Hinch, C. H. Jones, Lena J. Friedman and H. J. Murrish, the terms of which have been modified since the signing of the letter referred to, of which my understanding is as follows:

Instead of \$50,000 being payable as provided for in the letter to yourselves dated the 21st of July, 1919, which has been extended as per your letter of the 9th of August, 1919, from the 4th of August, 1919, until the 14th of August, 1919, the said payment is to be made on the 1st of September, 1919, but at noon on the 14th of August, 1919, I am to give you a definite answer as to whether the pur-

chase of the properties under option to me shall be made or not. I am to furnish you with such a document [878—271] as may be legal under the terms of this agreement and if I decide to exercise the option and give you legal notice on the 14th of August, 1919, before noon, to that effect, you are to depend upon a payment of \$50,000.00 upon the purchase price of your properties being made on the 1st of September, 1919, and \$50,000.00 payable on the 1st of October, 1919, and \$100,000.00 payable on or before the 1st of January, 1920. The balance due, namely \$133,333.33, shall be in accordance with my letter to you dated Lovelock, Nevada, July 21st, 1919, and all other conditions as stated therein shall be strictly adhered to.

As consideration for the modified terms referred to above, it has been agreed between the parties to the agreement that you are to have the right to negotiate the sale of such concentrate as may be available on your property, outside of the thirty tons which I am now holding in accordance with an arrangement made with you. The proceeds of the sale of any concentrate that you may make shall be on account of the company, and should I decide to exercise my option on your property, then any transactions made by you with regard to the sale of concentrate shall be taken over by me, or my assigns.

Yours very truly,
W. J. L.

WJL-O.

[Endorsed]: No. B-7. U. S. Dist. Court Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Modification of the Loring Option. Defts. Ex. No. "A-28." Filed Sept. 22, 1920. T. J. Edwards, Clerk. [879—272]

Defendants' Exhibit "A-29."

WESTERN UNION TELEGRAM.

Lovelock, Nevada, Aug. 19th, 1919.

W. J. Loring,

614 Crocker Bldg.,

San Francisco, Calif.

Have personally inspected all papers served in Friedman cases stop One case is against the individuals on alleged misrepresentations and does not in any way effect us stop The second is against the tungsten mine and mill corporations for nine thousand dollars stop Writ of attachment issued against company properties in secone suit but Frieman and associates are furnishing bond which will prevent service of the writ stop The suits in their present status will not in any way interfere with our deal stop Will keep you advised of any new developments stop Am mailing copies of papers to Judge Davis

BOOTH B. GOODMAN.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Humb. T. M. Co. et al. Goodman to Loring, Aug. 19/19. Defts. Ex. "A-29." Filed Sept. 22, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit No. "A-30."

WESTERN UNION TELEGRAM.

Received at 722 Market Street, San Francisco,
Calif.

A198SF ZK 130 BLUE.

Lovelock Nev 12P Aug 19 1919 [880—273]

Judge John F. Davis

259

1404 Humboldt Bank Bldg

San Francisco Calif

Replying your wire Taylor suits pray for straight money judgement only Stop Suit against companies demands nine thousand as balance for money loaned to the corporations and which was secured by hundred tons of concentrates Stop Plaintiff alleges that security was insufficient and balance is due Stop Other suit is against Friedman and associates as individuals based on allegation that upon representations by defendants plaintiff rendered services and expended money in an effort to raise money for the corporations in consideration for which he has to receive sixty two percent of capital stock Stop That said representations were false in regard to developed tonnage Stop Alleges damages caused by reason of said alleged misrepresentations which made it impossible to carry out contract after discovery thereof see wires to Loring.

BOOTH B. GOODMAN.

151P.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Goodman to Davis, Aug. 19/19. Defts. Ex. No. "A-30." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-31."

KNOW ALL MEN BY THESE PRESENTS: That the Rochester Mines Company, a corporation organized and existing under and by virtue of the laws of the State of Nevada, for value received in lawful money of the United States, the receipt whereof is hereby acknowledged, [881—274] has sold, assigned, transferred, and set over, and by these presents does hereby sell, assign, transfer, and set over unto W. J. Loring of the city and county of San Francisco, State of California, a certain debt due said ROCHESTER MINES COMPANY from Nevada Humboldt Tungsten Mines Company, a Nevada corporation, amounting to the sum of Thirteen Thousand One Hundred Fifty-eight and 52/100 Dollars, giving unto the said W. J. Loring full power to sue for, collect and discharge or sell and assign the same.

IN WITNESS WHEREOF the said ROCHESTER MINES COMPANY has caused its name to be hereto subscribed by its Secretary and Treasurer this 16th day of August, A. D. 1919, and caused its corporate seal to be affixed.

ROCHESTER MINES COMPANY,

[Seal]

By R. NENZEL,
Secretary and Treasurer.

[Endorsed]: Assignment—Rochester Mines Company to W. J. Loring. Dated Aug. 16, 1919. Booth B. Goodman, Attorney at Law, Lovelock, Nevada. No. B-7. U. S. Dist. Court, Dist. of Nevada. Defts Ex. No. "A-31." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-32."

KNOW ALL MEN BY THESE PRESENTS: That the ROCHESTER COMBINED MINES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Nevada, for value received in lawful money of the United States, the receipt whereof is hereby acknowledged, has sold, assigned, transferred and set over, [882—275] and by these presents does hereby sell, assign, transfer, and set over unto W. J. Loring of the City and county of San Francisco, State of California, a certain debt due said Rochester Combined Mines Company from Nevada Humboldt Tungsten Mines Company, a Nevada corporation, amounting to the sum of Four Thousand Two Hundred Eleven and 63/100 Dollars giving unto the said W. J. Loring full power to sue for, collect and discharge or sell and assign the same.

IN WITNESS WHEREOF the said Rochester Combined Mines Company has caused its name to be hereto subscribed by its Secretary and Treasurer

this the 16th day of August, A. D. 1919, and caused its corporate seal to be affixed.

ROCHESTER COMBINED MINES COMPANY.

[Seal]

By R. NENZEL,
Secretary and Treasurer.

[Endorsed]: Assignment — Rochester Combined Mines Co. to W. J. Loring. Dated Aug. 16, 1919. Booth B. Goodman, Attorney at Law, Lovelock, Nevada. No. B-7. U. S. Dist. Court, Dist. of Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Defts. Ex. No. "A-32." Filed Sept. 22d, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-33."

KNOW ALL MEN BY THESE PRESENTS, That Nevada Humboldt Tungsten Mines Company a corporation organized and existing under and by virtue of the laws of the State of Nevada, for and in consideration of the sum of Ten (\$10.00) Dollars, lawful money of the United States, and of a valuable consideration to it in hand paid by W. J. Loring, of the City and County of San Francisco, state of California, the receipt whereof is hereby acknowledged, has sold, assigned, [883 — 276] transferred, set over, conveyed and by these presents does hereby sell, assign, transfer, set over and convey unto said W. J. Loring and his heirs, executors, administrators and assigns all of the right, title and interest of the Nevada Humboldt Tungsten Mines

Company in and to a certain power contract dated the 28th day of May, 1918; and made by and between Nevada Valleys Power Company, a corporation on the one part and said Nevada Humboldt Tungsten Mines Company on the other part.

TO HAVE AND TO HOLD the said contract and all and singular, the benefits, rights and privileges arising therefrom unto the said W. J. Loring, his heirs, executors, administrators and assigns to their own proper use.

IN WITNESS WHEREOF the said Nevada Humboldt Tungsten Mines Company has by resolutions of its Board of Directors and stockholders, caused its corporate name to be hereto subscribed by its President and Secretary, and its corporate seal to be affixed this 3d day of August, 1919.

NEVADA HUMBOLDT TUNGSTEN
MINES CO.

By L. A. FRIEDMAN,
President.

Attest: R. NENZEL,
Secretary.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. Nevada. Taylor vs. Nev. Hum. T. M. Co. et al. Assignment to Loring. Aug. 23/19. Defts. Ex. "A-33." Filed Sept. 22d, 1920. T. J. Edwards, Clerk. [884—277]

Defendants' Exhibit "A-34."**THE FIRST NATIONAL BANK OF
LOVELOCK.**

Capital and Surplus \$85,000.00.

Lovelock, Nevada.

September 25th, 1920.

Cooke, Wheeler & Davis, Attys.,

Carson City, Nevada.

Gentlemen:

I promised to send some figures as to the indebtedness of the different Tungsten Companies, which I hereby supply as of date August 15th, 1919.

Nevada Humboldt Tungsten

Mines Co.	\$125,935.95
Tungsten Products Company	59,296.71
1/2 Mill City Devp. Co.....	8,919.15

\$194,151.81

The above indebtedness does not include the account of \$9,179.44 of David Taylor, which he claimed the Companies owed him.

Very truly yours,

J. T. GOODIN,

Trustee.

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. David Taylor vs. Nev. Humb. Tungsten M. Co. et al. Goodin's Statement of Indebtedness Deft. Corporations. Defts. Ex. "A-34." Filed Oct. 1st, 1920. T. J. Edwards, Clerk.

Defendants' Exhibit "A-35."

(Note: Defendants' Exhibit "A-35" consists of 20 sheets of quotations from the New York Stock Exchange, which are too voluminous to be set out here.) [885—278]

[Endorsed]: No. B-7. U. S. Dist. Court, Dist. of Nevada. Taylor vs. Nev. Humb. Tungsten M. Co. et al. 20 sheets N. Y. Stock Exchange. Defts. Exhibit No. "A-35." Filed October 2d, 1920. T. J. Edwards, Clerk. [886—279]

In the District Court of the United States, in and
for the District of Nevada.

No. 7-B.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a corporation, et al.,

Defendants.

Certificate of the District Judge Settling Statement of the Evidence.

I hereby certify that the foregoing statement of the evidence, as amended and corrected, is hereby settled and allowed, and I further certify that said statement contains all of the evidence save and except Exhibits 15, 20 and "Y," copies of which

it is impracticable to incorporate in the record, and the originals are hereby ordered, may be sent up.

I further certify that at the request of the parties the exact language of the witnesses is stated, permission being given by the undersigned District Judge.

Dated: This 9th day of June, 1922.

E. S. FARRINGTON,
District Judge of the United States District Court.
[887]

Names and Addresses of Attorneys of Record.

Messrs. HOYT, NORCROSS, THATCHER,
WOODBURN & HENLEY, Reno, Nevada,
For the Plaintiff in Error.

Messrs. WHEELER & WHEELER, Nevada Bank
Building, San Francisco, Calif., Hon. JOHN
F. DAVIS, Humboldt Bank Building, San
Francisco, Calif., and Messrs. FRENCH,
COOKE & STODDARD, Reno, Nevada,
For the Defendants in Error. [890]

In the United States District Court, in and for the
District of Nevada.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a Corporation, TUNGSTEN
PRODUCTS COMPANY, a Corporation,
MILL CITY DEVELOPMENT COMPANY,
a Corporation, W. J. LORING, C. W. POOLE,
R. NENZEL, H. J. MURRISH, L. A. FRIED-
MAN, C. H. JONES, G. K. HINCH, J. T.
GOODIN, V. A. TWIGG, J. C. HUNTING-
TON and LENA J. FRIEDMAN, Individually,
Defendants.

Complaint in Equity.

To the Honorable E. S. FARRINGTON, District
Judge for the District of Nevada:

Comes now David Taylor, now and at all times
herein stated, a resident of the City of Denver,
State of Colorado, and brings this, his bill of com-
plaint, against the Nevada Humboldt Tungsten
Mines Company, a corporation, now and at all times
hereinafter stated, a citizen and resident of the
State of Nevada, and against the Tungsten Products
Company, a corporation, now and at all times
herein stated, a citizen and resident of the
State of Nevada, and against W. J. Loring, in-
Company, a corporation, now and at all times

herein stated, a citizen and resident of the State of Nevada, and against W. J. Loring, individually, now and at all times herein stated, a resident and citizen of the State of California, [891] and against C. W. Poole, R. Nenzel, H. J. Murrish, L. A. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington and Lena J. Friedman, individually, now, and at all times stated herein, residents and citizens of the State of Nevada, and thereupon, this plaintiff shows:

I.

That plaintiff is, and at all times herein stated, was a citizen and a resident of the State of Colorado, residing in the city and county of Denver of said state; that the defendant, Nevada Humboldt Tungsten Mines Company is now, and at all times mentioned in this complaint was, a corporation duly organized and existing under and by virtue of the laws of the State of Nevada, with its principal office and place of business at the City of Lovelock in the county of Pershing and a citizen and resident of said State of Nevada; that the defendants Tungsten Products Company and Mill City Development Company, are now, and at all times mentioned in this complaint were, corporations duly and regularly organized and existing under and by virtue of the laws of the State of Nevada with their principal place of business at the City of Lovelock, in the County of Pershing, and said corporations were, and are, citizens and residents of the State

of Nevada; that the defendant W. J. Loring is, and at all times mentioned in this complaint was, a citizen of the State of California, residing in the city and county of San Francisco of said state; that the defendants C. W. Poole, R. Nenzel, H. J. Murrish, L. A. Friedman, Lena J. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin and V. A. Twigg, are now, and at all times mentioned in this complaint, were citizens and residents of the State of Nevada and of Lovelock, Pershing County in said State; that the defendant J. C. Huntington [892] is a citizen and resident of the State of Nevada, but, as plaintiff is informed and believes, is a citizen and resident of Tonopah, in the County of Nye of said state.

II.

That this is a controversy between citizens and residents of different states and the amount in controversy herein, exclusive of interests and costs, exceeds the sum of \$3000.00. That this is not a collusive one to confer upon a court of the United States Jurisdiction of a case which it would not otherwise have cognizance of.

III.

That on or about the 16th day of January, 1919, the plaintiff entered into a contract with the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, whereby the plaintiff agreed to make certain advances of money to the amount of \$100,000.00, in consideration of which, the defendants, Nevada Humboldt Tungsten

Mines Company and Tungsten Products Company agreed to deliver at certain dates in said contract specified, in carload lots, as security for such advances and for the purpose of allowing the plaintiff to sell the same, a minimum of 170 tons of scheelite concentrates of certain guaranteed quantities, all of which more fully appears in said contract, a full, true and correct copy of said contract being attached hereto, make a part hereof and marked Exhibit "A."

IV.

That on or about the 16th day of January, 1919, the defendants, Poole, Nenzel, Murrish, L. A. Friedman, Jones, Hinch, Goodin, Twigg, Huntington and Lena J. Friedman, executed, made and entered into a contract with the plaintiff for the sale of [893] all of their respective interests in the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, said interest of the respective defendants being represented by certain shares of stock in said companies, the said Nevada Humboldt Tungsten Mines Company being then and thereafter the owner of certain mines, mining claims and mining rights in certain real estate, all situate near Mill City in what is now the county of Pershing, State of Nevada; that the Tungsten Products Company was then and thereafter a subsidiary of said Nevada Humboldt Tungsten Mines Company, owned and operated as a mill for the treatment and concentration of certain scheelite ores

produced by the Nevada Humboldt Tungsten Mines Company at its property, mine and mining rights and mining claims aforesaid, and that the Mill City Development Company was a corporation owning certain real estate, also a pipe line and water rights and about 50 per cent of the capital stock of said company was then and there owned by the Nevada Humboldt Tungsten Mines Company or the Tungsten Products Company, hereinbefore mentioned. That a copy of said contract for the sale of said respective interests of the defendants is attached to this complaint, made a part hereof and marked Exhibit "B."

V.

That shortly after the making and execution of the said contract of January 16, Exhibit "B," one Howland Bancroft, a mining engineer, at the special instance and request of the plaintiff, made an examination of the mines, mining property and mining rights of the Nevada Humboldt Tungsten Mines Company, which said report was communicated to the plaintiff that said report showed the amount of development which then existed upon said mining property of the Nevada Humboldt Tungsten Mines [894] Company and showed that about 9,000 tons of scheelite ore, of an average of 1.75 per cent tungstic acid had been developed, placed in sight, blocked out and made ready for mining in said mining property of said Nevada Humboldt Tungsten Mines Company; that at all of the times mentioned in this complaint the defendants, Murrish, Nenzel, L. A.

Friedman and C. H. Jones were directors of the Nevada Humboldt Tungsten Mines Company and of the Tungsten Products Company, and the defendant Poole had then and at all times thereafter, and until the execution of the conveyances hereinafter set forth and described by the defendant corporations to the defendant W. J. Loring, general charge of all mining and milling operations of said Nevada Humboldt Tungsten Mines Company and its subsidiary, the Tungsten Products Company; that the fact and truth concerning said mines and mining claims of the Nevada Tungsten Mines Company, and the development work which had been performed and the new development work in progress on and within said mines, mining claims and mining rights of said Nevada Humboldt Tungsten Mines Company and the amount of ore developed, placed in sight, blocked out and made ready for mining and extraction and reduction in said mining property of the Nevada Humboldt Tungsten Mines Company were at all times mentioned in this complaint, peculiarly within the knowledge and information of the said last named defendants, and particularly of the defendants, Poole, Nenzel, Murrish and Friedman; that on or about the month of March, 1919, plaintiff informed the defendants, Friedman, Poole, Lena J. Friedman, Huntington, Nenzel, Jones, Hinch, Goodin, Twigg and Murrish that it was probable that the plaintiff would not be able to exercise his option to purchase said interests of the defendants in said corporations under said contract of January 16, Exhibit "B." That

thereupon the defendants Poole, [895] Murrish, Nenzel and Friedman, acting for themselves and for the defendants, Lena J. Friedman, Jones, Hinch, Goodin, Twigg and Huntington, with the intent to deceive plaintiff, and for the purpose of inducing plaintiff to execute and undertake the supplemental contract, Exhibit "C," hereafter referred to, falsely and fraudulently, by means of telegrams and letters, informed the plaintiff that further and new development work had been carried on within said mines, mining claims and mining rights of Nevada Humboldt Tungsten Mines Company which had developed and placed in sight, blocked out and made ready for mining, large quantities of scheelite ore of commercial value and capable of being concentrated and the concentrates so returned being of great value. That thereafter and on or about the 2d day of April, 1919, the defendants, Poole, Murrish and Nenzel, came to Denver, Colorado, for the purpose of inducing the plaintiff to make a supplemental contract for the disposition of their respective interests or a part thereof, and the plaintiff then and there believing and relying on the said representations of the defendants, Poole, Murrish and Nenzel who then and there represented themselves and were acting as the agents and attorneys in fact for the other defendants, last above named, entered into a supplemental contract whereby plaintiff undertook to raise sufficient moneys to pay the debts and obligations of the Nevada Humboldt Tungsten Mines Company, the Tungsten Pro-

ducts Company and their respective share in the Mill City Development Company, for which said services the plaintiff was to receive 62 per cent of the issued capital stock of the Nevada Humboldt Tungsten Mines Company and 62 per cent of the issued capital stock of the Tungsten Products Company and 62 per cent of one-half of the issued capital stock of the Mill City Development Company, a full, true and correct copy of said contract being attached to this [896] complaint, made a part hereof and marked Exhibit "C." That said contract was made and executed at the city and county of Denver, in the State of Colorado; that the defendants, Poole, Murrish and Nenzel, acting for themselves and as the agents of and the attorneys in fact for the defendants, L. A. Friedman, Lena J. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg and J. C. Huntington, for the purpose of inducing the plaintiff to enter in and upon said supplemental contract, Exhibit "C," of date of April 2, 1919, then and there, falsely and fraudulently, and with the intent to deceive the plaintiff, represented to the plaintiff that since the examination of the mines, mining claims and mining rights of the Nevada Humboldt Tungsten Mines Company and the report thereof made by Howland Bancroft, mining engineer aforesaid, to this plaintiff, great and additional ore bodies of equal grade and quality had been developed; that a large amount of new development work had been done and performed upon said mines and that there was

then, on said 2d day of April, blocked out, in sight, and ready for mining and reduction into concentrates, over 60,000 tons of scheelite ore which would carry an average of 1.75 per cent tungstic acid; that each and all of the representations aforesaid were false and untrue and were known by said defendants at the time they were made to be false and untrue and were made for the purpose of deceiving the plaintiff and for the purpose of causing him to undertake and carry out the terms of said supplemental contract of April 2d, Exhibit "C," attached hereto; that in truth and in fact, at said time, there was opened up, blocked out and in sight in said mine not to exceed 19,000 tons of scheelite ore of an average value not to exceed 1.75 per cent tungstic acid. [897]

VI.

That plaintiff, then and at all times thereafter, relying upon and believing said false and fraudulent representations of said defendants so made as aforesaid, executed said contract, Exhibit "C" of said date of April 2, 1920, and immediately thereafter gave practically his entire time and attention to carrying out the terms of said contract, by which he was to raise for the benefit of such defendant corporations, sufficient moneys for the payment of their debts and outstanding obligations, and plaintiff, for the purpose of consummating the same and carrying out the terms thereof, laid out and expended for traveling expenses of plaintiff to Lovelock, Nevada, to San

Francisco, California, to New York City and to various other places, for assays, for maps, for surveys, for expert services, for mining examinations and for reports, legal fees and an examination of titles and for preliminary work, for the organization of corporations and for telegraph and telephone, a large amount of moneys, in excess of \$8000.00.

VII.

That plaintiff, relying upon said representations aforesaid, also gave his time and efforts to said enterprise and the consummation of said contract, during all of the time from April 2d to June 1st, 1919; that as a result of the expenditures aforesaid, time and efforts of the plaintiff, plaintiff succeeded and had pledged, by himself and others associated with him, an amount sufficient to meet any and all obligations of his under the terms of said contract and sufficient to entitle him to received the 62 per cent of the capital stock of the Nevada Humboldt Tungsten Mines Company, 62 per cent of the stock of the Tungsten Products Company and 62 per cent of one-half of the stock of the [898] Mill City Development Company, under the terms of said contract of April 2, 1919, Exhibit "C."

VIII.

That said sum was pledged by plaintiff and others associated with him in the amount aforesaid, relying upon the representations of the defendants Nenzel, Poole, Friedman, Jones, Murrish, Hinch,

Huntington, Goodin, Twigg and Lena J. Friedman, and the plaintiff communicated said representations to his associates who pledged a large and substantial portion of said money to the plaintiff for the purpose of carrying out any and all of his obligations under the terms of said contract; that plaintiff, on or about, and between the 18th and 25th day of May, informed the defendants, Nenzel, Poole, Friedman, Jones, Murrish, Hinch, Huntington, Goodin, Twigg and Lena J. Friedman, that he was ready, able and willing to perform his obligations under the terms of said contract, Exhibit "C."

IX.

That on or about the first day of June, 1919, plaintiff discovered the falsity of the representations of said defendants and upon receipt of such information communicated the same to his associates who had agreed to furnish a large portion of the money necessary for the completion of the obligations to plaintiff under the terms of said contract of April 2d, Exhibit "C." That thereupon, his said associates withdrew from said undertaking and refused to go into the same and refused to advance any money whatsoever for it.

X.

That said defendants, Nenzel, Poole, Murrish, Friedman, [899] Jones, Hinch, Goodin, Twigg, J. C. Huntington and Lena J. Friedman, by said contract and agreement of April 2, 1919, Exhibit "C," also covenanted and agreed that such moneys as should be raised by the plaintiff should be

a loan to the defendants Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, and not in payment for stock, and that said loan was to be evidenced by the issuance of redeemable preferred stock with a maximum of 7 per cent accumulative interest, and that the said defendants would also cause a new company to be organized, to which the assets of said defendant corporation would be conveyed, or to so amend the present articles of the Nevada Humboldt Tungsten Mines Company as to effectuate this agreement, as shall be required by the plaintiff. That plaintiff, before the expiration of said contract, and on or about the — day of May, 1919, requested and demanded of said defendants that they so organize said new corporation or amend the articles of incorporation of Nevada Humboldt Tungsten Mines Company to comply with said provisions of the contract of April 2, 1919, Exhibit "C." That said defendants wholly neglected and refused and now continue and will continue to neglect and refuse to perform said contract of April 2, 1919, Exhibit "C," and refuse and neglect, and will continue to refuse and neglect to deliver to plaintiff 62 per cent of the stock of Nevada Humboldt Tungsten Mines Company, 62 per cent of the stock of the Tungsten Products Company and 62 per cent of one-half of the stock of the Mill City Development Company, under the terms of said contract of April 2, 1919, Exhibit "C." That plaintiff has per-

formed each and every covenant and obligation and agreement in said contract by him to be kept and performed. That said stock of said defendant corporations, [900] at and before the commencement of this suit, had no market value, and that the value thereof at the time the contract was made and entered into between the plaintiff and said defendants depended upon the operation and development of the property owned by the Nevada Humboldt Tungsten Mines Company, and particularly the mines and mining property thereof That the value of said stock cannot be exactly shown or definitely ascertained and that the continued working development of said property, mines and mining claims, together with the matters and things hereinafter mentioned, will increase the value of said property and the value of said stock; that there is no method of ascertaining the amount of damage that plaintiff has or will sustain by reason of the failure on the part of said defendants to transfer and deliver to said plaintiff the amount of stock to which he is entitled under said contract; that the value of said stock is wholly conjecture, speculative and uncertain and dependent on many and varied conditions, wholly beyond the control of either plaintiff or defendants.

XI.

That since the institution of these suits, a bill has been introduced and has passed the House of Representatives of the National Congress, placing a duty of \$10.00 per unit on tariff; that said

bill has gone to the Senate of the United States and has been reported out of the proper committee, with a recommendation that it be passed as amended, with a duty of \$9.00 per unit on tungsten ores of the grade and character found in said mines and mining property of said Nevada Humboldt Tungsten Mines Company. That if said bill should become a law, the ores in said properties containing the same will greatly increase in value, the exact amount of which is impossible of ascertainment. [901]

XII.

That on or about the 16th day of August, 1918, the defendant, Nevada Humboldt Tungsten Mines Company and its subsidiary, the defendant Tungsten Products Company, entered into a contract with the defendant W. J. Loring for the sale of all of its mines, mining property, and mining claims and particularly of its assets of every kind and character. That said contract was made and executed pursuant to resolution of the board of directors of said corporations, and that thereafter, said defendant corporations called meetings of their respective stockholders for the purpose of ratifying and confirming said contract with said W. J. Loring. That said meetings of stockholders were held without adequate or proper notice thereof to the stockholders of said corporations, and particularly to the plaintiff, a stockholder of the Nevada Humboldt Tungsten Mines Company. That said meetings were held without the giving of notice as required by the laws of the State of Nevada, and

particularly by the provisions of Chapter 76 of the Statutes of Nevada, 1913, page 65, entitled: "An Act to Amend an Act entitled, 'An Act providing a General Corporation Law,' approved March 16, 1903," approved March 12, 1913; and particularly of Section 2 thereof, which requires that at least 15 days' written notice shall be given of such meetings before the date of the holding thereof; that this plaintiff objected to said sale and to said contract, and promptly demanded the rescission and cancellation thereof; that thereafter, the officers, directors and stockholders of said corporation refused and neglected to set aside or cancel said pretended conveyances and said contracts or to commence any action in any court for the rescission or cancellation thereof. That thereupon, this plaintiff commenced an action in this court as a stockholder, to set aside, cancel and rescind said contracts and [902] said conveyances so unlawfully made by said corporations to said defendant W. J. Loring. That said W. J. Loring, took said deeds and said contract for said property from said defendant corporations with full notice of the rights and equities of the plaintiff herein and said Loring was duly and regularly informed thereof by this plaintiff before he had in anywise performed any part or portion of said contracts.

XIII.

That said suit for the cancellation and rescission of said contract and said conveyances to said W. J. Loring, by the defendant corporations is now pending in this court; that plaintiff is in-

formed and believes, and upon such information and belief, alleges the fact to be, that the defendant Nevada Humboldt Tungsten Mines Company has called another meeting of stockholders to be held at Lovelock, Nevada, on April 19th to further authorize and ratify the sale of the property of the defendant corporation to the defendant W. J. Loring, and to authorize instrument of conveyance to said Loring by said defendant corporations of all of the property and assets of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company. That plaintiff is informed and believes, and upon such information and belief alleges the fact to be that the defendants Nenzel, Poole, Murrish, Friedman, Jones, Hinch, Goodin, Twigg, Huntington and Lena J. Friedman, as stockholders of said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company and the Mill City Development Company will, at such meeting, vote all of their shares, which include the 62 per cent of the capital stock of the Nevada Humboldt Tungsten Mines Company, 62 per cent of the capital stock of the Tungsten Products Company and 62 per cent of one-half of the [903] capital stock of the Mill City Development Company, all of which is rightfully the property of this plaintiff, in favor of authorizing the sale to W. J. Loring of all of the corporate property and assets of said defendant corporations, all of which will be to the great irreparable damage and injury of the plaintiff. That said defendants threaten to

and will vote said stock as aforesaid, unless restrained by order of this honorable court; that the effect of said sale of said property by said corporations will be practically to dissolve the same and in connection therewith, plaintiff is informed and believes that said defendant corporations and their officers and directors will, unless restrained by order of this Honorable Court, distribute to the stockholders, the proceeds from the sale of said mines, mining property and assets to be received from said W. J. Loring under the terms of said contract, so as aforesaid executed on the 16th day of August, 1918, all of which will be to the great and irreparable damage of plaintiff and will greatly depreciate the value of the stock to which he is entitled under the terms of said contract of April 2, 1919, Exhibit "C." That the distribution of the proceeds of said pretended sales, if permitted to be made to the stockholders as so threatened, will be a depletion of the capital of said corporations, all of which plaintiff is informed and believes is in violation of the laws of the State of Nevada, and of the rights of plaintiff as a stockholder in said corporation. That plaintiff is informed and believes, and upon such information, alleges the fact to be, that said defendant Loring will accept said ratification and such deeds and conveyances or instruments of conveyance as may be made pursuant thereto, all of which will cast a [904] cloud upon the title of the defendant corporations, of, in and to said mines

and mining claims and mining property, and will greatly depreciate the value of the shares of stock which plaintiff now owns and which plaintiff is entitled to receive under and by virtue of the terms of said contract, Exhibit "C," and plaintiff is informed and believes, and upon such information and belief, alleges the fact to be that said defendant Loring will, under and by virtue of such instruments of conveyance as will be authorized and executed at and by the authority of said meeting of April 19th, enter in and upon said mines and mining claims and work and extract therefrom the valuable minerals therein contained, all of which will be to the great damage and injury of the plaintiff as a stockholder in said corporations and to the damage and injury and depreciation of the stock which he is entitled to receive under and by virtue of said contract of April 2, 1919. That plaintiff is informed and believes, and upon such information and belief alleges the fact to be that said defendant corporations, and each of them, will, at said stockholders' meeting of April 19th, permit the defendants, Poole, Nenzel, Murrish, Friedman, Jones, Hinch, Goodin, Twigg, Huntington and Lena J. Friedman, to vote the 62 per cent of the shares and capital stock of such corporation which are justly the property of this plaintiff, all of which will be to the great damage and irreparable injury of plaintiff.

XIV.

That plaintiff, on or about the 1st day of June,

1919, duly offered to perform each and every covenant and obligation on his part to be performed, under and by virtue of said contracts, Exhibits A, B and C, and particularly of Exhibit "C," provided that the said defendants would grant and allow to the plaintiff [905] an abatement of certain terms thereof for and on account of the false and fraudulent representations hereinbefore alleged; that plaintiff on or about the said first day of June, 1919, offered to advance, under the terms of said contracts, the sum of \$85,000.00, said sum to be used as follows by said corporations: \$10,000.00 to be set aside as a working capital for working and development of the mines, mining claims and mining grounds of the defendant Nevada Humboldt Tungsten Mines Company and for working and operation of the mill and reduction plant of the Tungsten Products Company; the remainder, to wit: \$75,000.00, to be used by said defendant corporations in paying ratably all creditors of the defendant corporations; and said plaintiff further offered to advance additional money, from time to time, as additional ores were blocked out, and that when 20,000 tons of additional ore were blocked out, in said mine, that plaintiff would advance as a loan to the corporations, sufficient money to liquidate the balance remaining due and unpaid to the creditors of the defendant corporations, in conformity with the provisions of said contract, Exhibit "C."

XV.

Plaintiff further alleges that plaintiff, between January 16, 1919 and May 5, 1919, pursuant to and in conformity with his obligations under said contracts and particularly under the contract of January 16, 1919, Exhibit "A," loaned and advanced to the defendant corporations, the moneys which they requested to be advanced to them under said contract, to wit: an amount in excess of \$78,000.00.

XVI.

That plaintiff has no plain, speedy and adequate [906] remedy at law. That irreparable damage and injury will result to the plaintiff if a temporary restraining order be not issued before notice can be served; that notice cannot be served of an application for an injunction before April 19, 1920; that the meeting of stockholders of the Nevada Humboldt Tungsten Mines Company hereinbefore referred to will be held on the said date, and at said time, said stockholders will authorize and cause to be executed, conveyances ratifying and confirming the contracts and conveyances heretofore executed to W. J. Loring; that said contracts and conveyances will constitute a cloud upon the property of the said Nevada Humboldt Tungsten Mines Company and it will be necessary to commence various and sundry proceedings in the courts for the removal of the same, the exact cost and expense of which is impossible to ascertainment; that a temporary restraining order should there-

fore issue, restraining the defendants as herein-after requested, without notice thereof.

WHEREFORE, Plaintiff prays for judgment and decree of this Honorable Court, decreeing that the defendants Poole, Nenzel, Murrish, L. A. Friedman, Jones, Hinch, Goodin, Twigg, Huntington and Lena J. Friedman be compelled to specifically perform their said contracts and deliver to the plaintiff 62 per cent of the stock of the Nevada Humboldt Tungsten Mines Company, 62 per cent of the stock of the Tungsten Products Company and 62 per cent of the stock of the Mill City Development Company; that plaintiff have an abatement of the provisions of said contract, or of the whole thereof for and on account of the false and fraudulent representations of the defendants, as shall be determined by the court to be just and equitable.

That the defendants Poole, Nenzel, Murrish, L. A. [907] Friedman, Jones, Hinch, Goodin, Twigg, Huntington and Lena J. Friedman, as stockholders, be enjoined *pendente lite* from voting 62 per cent of the stock of the Nevada Humboldt Tungsten Mines Company, 62 per cent of the stock of the Tungsten Products Company and 62 per cent of one-half of the stock of the Mill City Development Company at the special meeting of stockholders to be held at Lovelock, Nevada on the 19th day of April, 1920 at 2 o'clock P. M., or at any continuance of said meeting, or at any other meeting of stockholders until the further order of this court in

favor of further or at all ratifying, confirming or approving, or in anywise authorizing the sale and conveyances of the assets of the mines and mining claims of the defendant Nevada Humboldt Tungsten Mines Company to W. J. Loring, or to any other person or persons whomsoever, and enjoining, *pendente lite*, said defendants, their agents or attorneys, from in anywise authorizing the execution or delivery of any bills of sale, deeds or other instruments of conveyance which will convey or further assure to W. J. Loring, title of, in or to any of the property, mines or mining claims or assets of the Nevada Humboldt Tungsten Mines Company, and for an order enjoining the defendant corporations and their officers, agents and attorneys or their directors or any other persons acting under or through them from permitting to be voted at said special meeting of stockholders or at any continuation thereof, or at any other meetings of stockholders, until the further order of this Court, said 62 per cent of the stock of Nevada Humboldt Tungsten Mines Company, 62 per cent of the stock of the Tungsten Products Company and 62 per cent of one-half of the stock of the Mill City Development Company in favor of ratifying or confirming any instrument or contract for the sale of the [908] property and assets of the defendant corporation, Nevada Humboldt Tungsten Mines Company, or from executing any bills of sale or other instrument of conveyance from said Nevada Humboldt Tungsten Mines Company to W. J. Loring, or any person

or persons whomsoever, until further order of this Court; that said injunctions upon final hearing be made perpetual; that plaintiff have judgment for his costs herein incurred; that plaintiff have such other and further relief as may be just and equitable in the premises.

HOYT, NORCROSS, THATCHER,
WOODBURN & HENLEY,
Attorneys for Plaintiff. [909]

United States of America,
State of Nevada,
County of Washoe,—ss.

Geo. B. Thatcher, being first duly sworn, deposes and says: That he is attorney in fact and one of the attorneys for the plaintiff herein; that he has heard read the foregoing complaint and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are therein stated upon information and belief, and as to those matters that he believes it to be true; that he makes this verification on behalf of the plaintiff, for the reason that the plaintiff is absent from the State of Nevada, where his said attorneys reside.

GEO. B. THATCHER.

Subscribed and sworn to before me, this 16th day of April, 1920.

[Seal] BENJ. J. HENLEY,
Notary Public in and for the County of Esmeralda,
State of Nevada. [910]

Exhibit "A."

THIS AGREEMENT made this sixteenth (16) day of January, 1919, between David Taylor, of Denver, Colorado, as first party, and the Nevada Humboldt Tungsten Mines Company, a corporation organized and existing under the laws of the State of Nevada, and the Tungsten Products Company, a corporation organized and existing under the laws of the State of Nevada, as second parties,

WITNESSETH:

1. That the said second parties in consideration of the agreement of the said first party to make the advances of money hereinafter specified, agree to deliver upon the dates hereinafter specified, f. o. b. cars Mill City, Nevada, in carload lots to said first party, as security for such advances and for the purpose of allowing said first party to sell the same, approximately One hundred and seventy (170) tons of scheelite concentrates, quality guaranteed as follows:

Minimum WO ₃	60.00%
Maximum sulphur	2.00%
Maximum Phosphorus	0.04%
Maximum Tin	Trace
Maximum Copper	Trace

Said concentrates to be shipped by second parties to such point or points as may be designated by the said first party, as follows:

A. On or about the first day of February, 1919,
75 tons;

- B. On or about the first day of March, 1919, 35 tons;
 - C. On or about the first day of April, 1919, 30 tons;
 - D. On or about the first day of May, 1919, 30 tons;
- plus such additional amount as will be sufficient to give to said first party security at the then market price of said concentrates, for the advances herein provided. In all events said second parties [911] shall deliver said first party a minimum of 170 tons of said concentrates.

2. The said first party shall have complete control and entire charge of the selling of said concentrates, but he shall not sell the same at a price which will net the said second parties less than Ten Dollars (\$10.00) per unit WO₃ f. o. b. cars Mill City, Nevada, except as provided in paragraph 5 herein. The said first party however shall not unduly hold said concentrates for a price in excess of Fifteen Dollars (\$15.00) per unit of WO₃.

3. The first party in consideration of the agreement of the second parties herein and in consideration of other good and valuable consideration, hereby agrees to advance as a loan to the second parties jointly and severally the sum of One Hundred Thousand Dollars (\$100,000), the same to be advanced as follows:

- A. \$10,000.00 upon the execution of this agreement;
- B. \$40,000.00 on or about the first day of February, 1919, upon the shipment referred to in paragraph 1A herein;
- C. \$16,667.00 on or about the first day of March,

1919, upon the shipment referred to in paragraph 1B herein;

D. \$16,667.00 on or about the first day of April, 1919, upon the shipment referred to in paragraph 1C herein;

E. \$16,666.00 on or about the first day of May, 1919, upon the shipment referred to in paragraph 1D herein;

—said advances shall be made by payment of sight drafts attached to railroad bill of lading; shipper's certificate of weight and sampling, and analysis of Hugh F. Watts, of Boulder, Colorado, drawn on the first party, care of First National Bank of Denver, Colorado. [912]

4. The said first party shall from the proceeds of the sale of said concentrates: First reimburse himself for all money advanced for transportation, valuation and selling expenses of said concentrates; Second, shall apply \$10.00 per unit of all concentrates sold up to date of sale to the discharge of the loans made hereunder to said second parties; Third, any balance remaining thereafter shall thereupon be divided between the parties hereto, one-half to the said first party and one-half to the said second parties. If at any time the value of said concentrates as determined by the market price of said concentrates which said first party shall have on hand as security as hereby provided, shall not equal the amount of said loan remaining unpaid together with advances for transportation, valuation and cost, then upon demand the said second parties shall deliver f. o. b. cars Mill City such additional amounts

of concentrates as will equal in value at the then market price of same the said remaining due and unpaid on account of said loans and advances for transportation, valuation and cost.

5. IT IS FURTHER UNDERSTOOD AND AGREED that in case the said first party before July 1, 1919, is unable to dispose of said concentrates for a price of Ten Dollars (\$10.00) or higher, net per unit WO₃ f. o. b. cars Mill City, Nevada, said first party after July 1, 1919, may dispose of said concentrates at the market price.

6. Wherever the word "Unit" is used herein it is understood to mean twenty (20) pounds of pure WO₃.

7. Wherever the term "Market price" is herein used, the said market price shall be determined as follows: The said first [913] party shall secure from one or more reputable consumers of scheelite a firm offer for such concentrates as are then ready for immediate shipment, which said offer shall be submitted to said second parties and said second parties shall thereafter have forty-eight (48) hours to secure higher firm offers from some reputable and responsible consumers of said products. If said second parties do not obtain such higher firm offer, the offer received by said first party shall be the market price.

8. It is understood and agreed that part of the consideration for this agreement and for the advances herein made by said first party is the giving of an option by L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch,

John G. Huntington, J. T. Goodin, V. A. Twigg and Lena J. Friedman, to purchase over ninety-nine per cent (99%) of the capital stock of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company and all of the interest of said parties in the Mill City Development Company, said corporation all being organized and existing under the laws of the State of Nevada, which said option is executed on the same date as this contract. It is further understood that in case said L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch, John G. Huntington, J. T. Goodin, V. A. Twigg and Lena J. Friedman shall fail to carry out any of the terms or conditions of said option agreement during the life of this agreement, that said first party shall at his option, have the right to terminate this agreement and to cease to proceed under the same and said second parties herein shall be obligated to reimburse said first party for all money advanced and all expenses incurred in the carrying out of this agreement. [914]

9. Any reasonable delay of the performance of any of the conditions of this contract by either party hereto if arising from causes beyond the control of such party, shall not be considered a breach of contract by such party.

IN WITNESS WHEREOF, the first party has hereunto set his hand and seal, and the said second parties have caused these presents to be executed by their respective Presidents and Secretaries thereunto duly authorized and their corporate seal to be

hereunto affixed the day and year first above written.

DAVID TAYLOR. (Signed)
NEV. HUMBOLDT TUNGSTEN
MINES CO.

By L. A. FRIEDMAN,
President.

By R. NENZEL,
Secretary.

TUNGSTEN PRODUCTS COM-
PANY,

By L. A. FRIEDMAN,
President.

By R. NENZEL,
Secretary.

By L. A. FRIEDMAN,
Trustee.

[915]

Exhibit "B."

THIS AGREEMENT MADE BETWEEN DAVID TAYLOR, of Denver, Colorado, party of the first part, and L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch, John G. Huntington, J. T. Goodin, V. A. Twigg, and Lena J. Friedman, all residents of Lovelock, Nevada, Being the holders of ninety-nine (99%) per cent of the capital stock of the Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, and L. A. Friedman, as Trustee, parties of the second part,

WITNESSETH:

THAT, WHEREAS, said L. A. Friedman, C. W. Poole, R. Nenzel, C. H. Jones, H. J. Murrish, G. K. Hinch, John G. Huntington, J. T. Goodin, V. A. Twigg, and Lena J. Friedman, are the owners and holders of stock in each of the above companies, the number of shares of stock in each company being set opposite their respective signatures hereto, and

WHEREAS, L. A. Friedman is Trustee for all other of said second parties hereton, of all of their interest in the Mill City Development Company, which said corporation is in the process of organization, and which said corporation has not yet issued its stock, and

WHEREAS, said second parties desire to sell all of their interest in the said Nevada Tungsten Mines Company and said Tungsten Products Company and said Mill City Development Company, all of which corporations are corporations organized and existing under the laws of the State of Nevada, and

WHEREAS, said first party is desirous of securing an option to purchase the entire interest of all of said second parties in all of said corporations, and

WHEREAS said first party has this day entered into a contract with the Nevada Humboldt Tungsten Mines Company, and said Tungsten Products Company to advance said corporations [916] the sum of One Hundred Thousand Dollars (\$100,000.-00) to enable said corporation to continue their business and operations and to discharge a portion of their indebtedness.

1. NOW, THEREFORE, in consideration of the premises and in consideration of the said first party hereby entering into said agreement to advance said One Hundred Thousand Dollars (\$100,000.00) to said corporation, said second parties hereby grant and give to said first party an option to purchase all of the stock held by said second parties in the Nevada Humboldt Tungsten Mines Company and in the Tungsten Products Company, and all of the interests of said second parties in the Mill City Development Company at the price and in the manner hereinafter specified. This option shall be good up to and including the sixteenth (16th) day of July, 1919.

2. The price to be paid for all of said stock in all of said corporations owned by all of said second parties shall be fifty (50¢) cents per share of stock held by said second parties in the Nevada Humboldt Tungsten Mines Company, and said second parties shall transfer, assign and set over unto said first party without further charge or cost to said first party, all of the stock owned by said second parties in the Tungsten Products Company and the Mill City Development Company which they now own or shall be entitled to upon the complete organization of the Mill City Development Company; total purchase price shall be \$498,400.00.

3. Said second parties shall during the life of this option pay all of the debts and obligations of all of the said corporations; and agree that said corporations will maintain their plants and equipment in their present condition of efficiency, and will

continue the present development work as it has heretofore been conducted. Said second parties will also complete [917] the organization of the Mill City Development Company and discharge all of their obligations to said Mill City Development Company.

4. It is further understood and agreed that no dividends of any kind, nature or description shall be paid by said corporations during the life of this option, and that none of the assets of said corporation shall be disposed of other than Scheelite concentrates provided that replacements of equipment shall be permitted.

5. It is further understood and agreed that no increase of salaries or bonuses shall be made, given, or paid to any officers or directors or stockholders of said corporations during the life of this option.

6. It is further understood and agreed that in case said option is exercised and said debts and obligations of said corporations are not paid at the time of the exercise of said option, the said first party shall deduct a sufficient amount from the purchase price to pay all outstanding debts and obligations and engagements of said corporations.

7. It is understood and agreed that the purchase price for said stock shall be paid as follows:

\$100,000.00 at the time said option is exercised.

\$25,000.00 on the first of each and every month thereafter until the total purchase price has been paid.

8. Said option shall be exercised by giving notice in writing to the Wells Fargo Nevada National Bank

of San Francisco, and by mailing a written notice of such exercise of said option addressed to each of said parties, addressed to Lovelock, Nevada. Payments shall be made through the Wells Fargo Nevada National Bank of San Francisco, California.

9. Said second parties agree to deposit all of the stock of the Tungsten Products Company owned by said second [918] parties, and Two Hundred Eighty-five Thousand (285,000) shares of stock in the Nevada Humboldt Tungsten Mines Company within ten (10) days from the execution of this option in the Wells Fargo Nevada National Bank of San Francisco. It is understood and agreed that the remaining shares of stock in said Nevada Humboldt Tungsten Mines Company, upon which option is hereby given, owned severally by said second parties are now up as collateral for certain loans to said individuals, and as to such stock, it is hereby agreed that within Ten (10) days from the execution of this agreement, each and every of the parties signatory hereto, who has such stock now up as collateral shall notify by letter the bank, person or company holding said stock as security of the giving of an option on said stock and shall further instruct said bank, firm or company in the event that the amount secured by such stock is not paid on or before July 15, 1919, to send the evidence of such debt together with the stock to the Wells Fargo Nevada National Bank for collection, with instructions to said bank, upon the payment of the obligation to place the stock, security therefor, with the escrow herein mentioned, and forthwith mail to

the first party a true and correct copy of said letter.

10. The said second parties agree to discharge said loans prior to the exercise of said option. In case said second parties do not discharge said loans, said second parties agree that the Wells Fargo Nevada National Bank shall from the proceeds of the first One Hundred Thousand Dollars (\$100,000.00) deposited, pay said indebtedness to said parties and hold the same until the full purchase price has been paid. Upon the payment of the full purchase price of said stock all of said stock shall be delivered to said first party. [919]

11. Said second parties further agree to deposit in escrow with said Wells Fargo Nevada National Bank resignations of all of their directors and to deliver one resignation to said first party for every One Hundred Thousand Dollars (\$100,000.00) is paid. Said second parties further agree that they will cause to be immediately elected to said Board of Directors of said corporation in place of the director resigning, the nominee of said first party. Upon the exercise of this option and the payment of said One Hundred Thousand Dollars (\$100,000.00), the management of said corporations shall be turned over to said first party, and the said second parties will cause the Board of Directors of said corporations to name as general manager of Nevada Humboldt Tungsten Mines Company and the Tungsten Products Company, the nominee of said first party, which general manager shall have full power and authority to remove any and all superintendents, foremen, agents, servants

and employees of said corporations, and to employ any and all necessary superintendents, foremen, agents, servants and employees as may be necessary to operate to said properties.

12. In the event said first party shall delay for a period of five (5) days to make any of the loans to said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company called for in said loan agreement, the said second parties in their discretion may terminate this option by giving immediate notice thereof in writing to said first party.

13. Second parties agree that said One Hundred Thousand Dollars (\$100,00.00) loaned said Nevada Humboldt Tungsten Mines Company and said Tungsten Products Company shall be used solely to pay operating expenses, to purchase of reasonable supplies and reasonable equipment, and to discharge the indebtedness of said corporations. [920]

14. This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 16th day of January, 1919.

(Signed) DAVID TAYLOR,

First Party.

L. A. FRIEDMAN,	106,640 shares
R. NENZEL	102,000 shares
C. W. POOLE,	119,160 shares
H. J. MURRISH,	101,000 shares
(C. E. JONES	100,000 shares
(G. K. HINCH,	10,000 shares

(JOHN G. HUNTINGTON	50,000 shares
(J. T. GOODIN,	5,000 shares
(V. A. TWIGG,	3,000 shares

Signed by

R. NENZEL,

Attorney in Fact.

LENA FRIEDMAN,	400,000 shares
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Second Parties.

L. A. FRIEDMAN,

Trustee. [921]

Exhibit "C."

THIS AGREEMENT this day entered into between David Taylor, of Denver, Colorado, first party, and L. A. Friedman, Lena J. Friedman, C. W. Poole, John G. Huntington, R. Nenzel, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg and H. J. Murrish, second party,

WITNESSETH:

WHEREAS the parties hereto, on or about January 16, 1919, entered into an agreement in respect to the purchase and sale of certain stock of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, reference to which contract is hereby made and which said contract is made a part hereof, and

WHEREAS the Nevada Humboldt Tungsten Mines Company on the same date, entered into an agreement with the said David Taylor for the advance of certain moneys on scheelite concentrates,

as more particularly appears in said agreement to which reference is hereby made, and

WHEREAS this agreement is supplemental to both of said agreements and all of said agreements are now to be read together and considered as one in so far as applicable, due reference being had to the changes herein made, and

WHEREAS, owing to the demoralization of the tungsten market it seems impossible for the said David Taylor to market scheelite concentrates or to interest parties in the purchase of tungsten properties, and for that reason it is deemed probable that said Taylor will not be able to exercise his option contained in the above-mentioned agreement, and

WHEREAS, by reason of the facts herein named it may become [922] impossible for the Nevada Humboldt Tungsten Mines Company and the other companies above referred to to secure sufficient funds for the liquidation of their indebtedness, and

WHEREAS it is the purpose of this agreement to so modify the said option as to enable the said Nevada Humboldt Tungsten Mines Company and its allied companies to pay its debts, continue its operation and secure itself from the jeopardy of possible loss through suits by its creditors,

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) each to the other in hand paid, it is mutually understood, covenanted and agreed as follows, to wit:

1. The first party undertakes to secure by borrowing for the Nevada Humboldt Tungsten Mines

Company, and its allied companies, a sum sufficient to liquidate the indebtedness of the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company, and the proportion of the indebtedness of the Mill City Development Company which the second parties owe, said indebtedness estimated to be the sum of Two Hundred and Twenty Thousand (\$220,000.00) Dollars, on or before June 16, 1919.

2. When or if the said first party shall secure the said sum sufficient to liquidate the entire indebtedness, as above provided, then and in such event the second parties promise, covenant and agree to transfer and deliver to the first party in full payment for services rendered in securing such sum of money, 62% of the issued capital stock of the Nevada Humboldt Tungsten Mines Company, 62% of the issued capital stock of the Tungsten Products Company, 62% of one-half of the issued capital stock of the [923] Mill City Development Company; that a deposit of the amount necessary to liquidate the indebtedness as herein provided, in the Wells Fargo Nevada National Bank, shall be sufficient evidence of the performance of the conditions herein for the transfer and delivery of the stock as herein provided.

IT IS MUTUALLY UNDERSTOOD AND AGREED:

A. That the said sum raised by the first party herein is a loan to the Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the Mill City Development Company, and not

a payment for stock; and that same is to be evidenced by the issuance of redeemable preferred stock with a maximum of 7% cumulative interest, provided that said stock shall be sold for less than 95% of par net to the Company.

B. That the second parties hereto will cause a new company to be organized to which the assets of the companies herein described shall be conveyed or shall amend the present articles of the Nevada Humboldt Tungsten Mines Company and its allied companies hereinbefore mentioned, in order to effectuate this agreement as shall be required by the first party.

C. It is agreed that in such incorporation, or in the amendment above provided, due and proper provision shall be made (1) that 80% of the Board of Directors must approve the sale of any of the property of the Company or the purchase of additional property; (2) that the cumulative voting power of the common stock shall not be taken away; (3) that the net receipts from any relief received from the United States Government under the War-Minerals Relief Act of the corporations herein mentioned or any of them, shall inure to the benefit of such new corporation as may [924] be formed; (4) that profits shall be distributed whenever same have accumulated to the amount of Fifty Thousand (\$50,000.00) Dollars or over, after the debts are paid, unless contrary provided by a vote of 80% of the Directors; (5) and further, that the preferred stock shall be redeemed out of the profits on June 30 or December 31, of every year, whenever the sum

of Fifty Thousand (\$50,000.00) Dollars is accumulated, and before any dividends are paid on the common stock.

D. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED that the performance of this agreement shall release the first party from any and all obligation to pay the purchase price of said stock mentioned in the option hereinbefore referred to.

E. IT IS FURTHER MUTUALLY COVENANTED AND AGREED that this agreement shall expire by limitation on June 16, 1919, and shall carry with it the option hereinbefore mentioned as executed on January 16, 1919, which shall also expire by limitation on said date, and they shall be of no further force or effect if the first party shall not have negotiated the loan and secured the money provided in Paragraph 1 hereof.

Time is the essence of this agreement, and each and every clause hereof shall bind and benefit the heirs and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 2d day of April, 1919,

(Signed) DAVID TAYLOR,
First Party. [925]

C. W. POOLE,
R. NENZEL,
H. J. MURRISH,

(L. A. FRIEDMAN,
(LENA J. FRIEDMAN,
(C. H. JONES,
(G. K. HINCH,
(J. T. GOODIN,

By R. NENZEL.

Attorney in Fact.

(V. A. TWIGG,
(J. G. HUNTINGTON,

Second parties.

C. W. POOLE,

Attorney in Fact.

[Endorsed]: (Original.) No. B-7. In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. Nevada Humboldt Tungsten Mines Company, a Corporation, et al., Defendants. Complaint. Filed this 17th day of April, 1920. T. J. Edwards, Clerk. Hoyt, Norcross, Thatcher, Woodburn & Henley, Reno, Nevada, Attorneys for Plaintiff. [925a]

In the United States District Court, in and for the
District of Nevada.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a Corporation, TUNGSTEN
PRODUCTS COMPANY, a Corporation,
MILL CITY DEVELOPMENT COMPANY,
a Corporation, W. J. LORING, C. W.
POOLE, R. NENZEL, H. J. MURRISH,
L. A. FRIEDMAN, C. H. JONES, G. K.
HINCH, J. T. GOODIN, V. A. TWIGG,
J. C. HUNTINGTON, and LENA J.
FRIEDMAN, Individually,

Defendants.

Affidavit of David Taylor.

United States of America,
City and County of Denver,
State of Colorado,—ss.

David Taylor, being first duly sworn, deposes and says: That he has read the complaint in the above-entitled action and knows the contents thereof, and that the same is true of his own knowledge, except as to those matters therein stated on information and belief, and as to those matters, he believes it to be true.

DAVID TAYLOR.

Subscribed and sworn to before me this 24th day of April, 1920.

My commission expires August 16, 1920.

[Seal]

ANNA RAND,

Notary Public.

[Endorsed]: Original. No. B-7. In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. Nevada Humboldt Tungsten Mines Company, a Corporation, et al., Defendants. Affidavit (verification of Complaint). Filed this 30th day of April, 1920. T. J. Edwards, Clerk. Hoyt, Norcross, Thatcher, Woodburn & Henley, Reno, Nevada, Attorneys for Plaintiff. [926]

Subpoena in Equity.

DISTRICT OF NEVADA,—ss.

The President of the United States of America, to Nevada Humboldt Tungsten Mines Company, a Corporation; Tungsten Products Company, a Corporation; Mill City Development Company, a Corporation; W. J. Loring; C. W. Poole; R. Nenzel; H. J. Murrish; L. A. Friedman; C. H. Jones; G. K. Hinch; J. T. Goodin; V. A. Twigg; J. G. Huntington and Lena J. Friedman, GREETING:

You are hereby commanded that you personally appear before the Judge of our District Court of the United States for the District of Nevada, at the courtroom of said court in Carson City, Nevada (Federal Building), to answer unto a bill of com-

plaint exhibited against you in said court, by David Taylor, and to do further and receive whatever said court shall have considered in that behalf.

WITNESS the Honorable E. S. FARRINGTON, Judge of the District Court of the United States for the District of Nevada, and the seal of said court hereunto affixed this 17th day of April, 1920, and of the year of our Independence the 144th.

[Seal]

Attest: T. J. EDWARDS,

Clerk.

By E. O. Patterson,

Deputy.

HOYT, NORCROSS, THATCHER, WOOD-
BURN & HENLEY,

Solicitors for Plaintiff.

MEMORANDUM.

The defendants are required to file their answers or other defense in the clerk's office at Carson City, Nevada, on or before the twentieth day after service, exclusive of the day thereof; otherwise the bill may be taken *pro confesso*.

T. J. EDWARDS,

Clerk.

By E. O. Patterson,

Deputy.

MARSHAL'S RETURNS.

District of Nevada,—ss.

I hereby certify and return, that on the 17th day of April, 1920, I received the within subpoena in equity and that after diligent search, I am unable

to find the within-named defendants W. J. Loring and L. A. Friedman within my district.

THOMAS PICKETT,

United States Marshal.

By F. A. Sawyer,

Deputy United States Marshal. [927]

RETURN ON SERVE OF WRIT.

United States of America,

District of Nevada,—ss.

I hereby certify and return that I served the annexed Subpoena in Equity on the therein named Nevada Humboldt Tungsten Mines Co., a corp., by serving R. Nenzel, as Secy. of said corp., C. W. Poole, R. Nenzel, H. J. Murrish, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington, Lena J. Friedman by handing to and leaving a true and correct copy thereof with each personally at Lovelock, Nevada, in said District, on the 19th day of April, A. D. 1920.

THOMAS PICKETT,

U. S. Marshal.

By F. A. Sawyer,

Deputy.

Tungsten Products Co., a Corp., and Mill City Development Co., a Corp., not served.

Order of Attorney for Plaintiff.

[Endorsed]: Original. No. B-7. U. S. District Court, District of Nevada. David Taylor, Plaintiff, vs. Nevada Humboldt Tungsten Mines Company, a Corporation, et al., Defendants. Subpoena in Equity. Filed on Return May 15th, 1920. T. J. Edwards, Clerk. Civil Docket No. 812. [928]

In the United States District Court, in and for the
District of Nevada.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a Corporation, TUNGSTEN
PRODUCTS COMPANY, a Corporation,
MILL CITY DEVELOPMENT COM-
PANY, a Corporation, W. J. LORING, C.
W. POOLE, R. NENZEL, H. J. MURRISH,
L. A. FRIEDMAN, C. H. JONES, G. K.
HINCH, J. T. GOODIN, V. A. TWIGG, J.
C. HUNTINGTON and LENA J. FRIED-
MAN, Individually,

Defendants.

Order to Show Cause and Restraining Order.

To the Above-named Defendants:

YOU, and EACH OF YOU will please take notice that on the 27th day of April, 1920, the plaintiff will apply to the above-entitled court for a temporary injunction against certain of the defendants, restraining them and each of them, their agents, servants and attorneys, from doing or performing certain acts and things, all of which more fully appear by the verified complaint on file in the above-entitled action, and from the prayer thereof, and as more particularly appears in the restraining order hereinafter set forth. You, the said defendants above named, will therefore show cause at ten

o'clock A. M. on the 27th day of April, 1920, why you and each of you should not be restrained in accordance with the prayer of plaintiff's verified bill of complaint.

It further appearing from the verified bill of complaint that immediate and irreparable loss or damage will result before the matter can be heard on notice, it is therefore ORDERED, that [929] pending such hearing, or until further order of the Court, the defendants, C. W. Poole, R. Nenzel, H. J. Murrish, L. A. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington and Lena J. Friedman, and each of them, their agents, servants, attorneys and proxies, be, and they are hereby enjoined from voting sixty-two (62) per cent of the stock of the Nevada Humboldt Tungsten Mines Company at a special meeting of stockholders called by the stockholders of the Nevada Humboldt Tungsten Mines Company to be held at Lovelock, Nevada, on the 19th day of April, 1920, at two o'clock P. M., or at any continuance of said meeting, or at any other meeting of stockholders, until the further order of this Court, in favor of further or at all ratifying, confirming or approving or in anywise authorizing the sale or conveyance of the assets or the mines and mining claims of the defendant, Nevada Humboldt Tungsten Mines Company to W. J. Loring, or any other person or persons whomsoever, and enjoining and restraining said defendants, their agents or attorneys from in anywise authorizing the execution or delivery of any bills of sale, deeds or other instrument of con-

veyance which will convey or further issue to W. J. Loring, title of, in or to property, assets, mines and mining claims of the Nevada Humboldt Tungsten Mines Company, and defendant corporations, and particularly the defendant corporation, Nevada Humboldt Tungsten Mines Company, its officers, agents and attorneys, and all persons acting under, by or through them, are hereby restrained from permitting said individual defendants above named from voting at said special meeting of the stockholders, or at any continuation thereof, or at any other meeting of stockholders during the life of this order, until further order of this Court, said sixty-two (62%) per cent of the stock of the Nevada Humboldt Tungsten Mines Company in favor of [930] ratifying or confirming any sale of the property and assets of said defendant corporation, Nevada Humboldt Tungsten Mines Company, to W. J. Loring, or any person or persons whomsoever.

IT IS FURTHER ORDERED that plaintiff shall file a good and sufficient undertaking in the sum of One Thousand (\$1000.00) Dollars, indemnifying the defendants from any and all damage which may be occasioned by the issuance of this restraining order.

Dated, this 17th day of April, 1920.

E. S. FARRINGTON,

District Judge.

RETURNS.

District of Nevada,—ss.

I hereby certify and return, that on the 18th day of April, 1920, I received the within Order to Show

Cause and Rest. Order and that after diligent search, I am unable to find the within named defendants W. J. Loring and L. A. Friedman within my district.

THOMAS PICKETT,
United States Marshal.

By F. A. Sawyer,
Deputy United States Marshal.

RETURN ON SERVICE OF WRIT.

United States of America,
District of Nevada,—ss.

I hereby certify and return that I served the annexed Order to show cause and restraining order on the therein named Nevada Humboldt Tungsten Mines Co., by serving R. Nenzel, as Secy. of said company, C. W. Poole, R. Nenzel, H. J. Murrish, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington, Lena J. Friedman by *hand* to and leaving a true and correct copy thereof with each personally at Lovelock, Nevada, in said District on the 19th day of April, A. D. 1920.

THOMAS PICKETT,
U. S. Marshal.

By F. A. Sawyer,
Deputy.

Tungsten Products Co., and Mill City Development Co., a Corp., not served.

Order of Attorney for Plaintiff.

[Endorsed]: No. B-7. (Original.) In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. Ne-

vada Humboldt Tungsten Mines Company, a Corporation, et al., Defendants. Order to Show Cause and Restraining Order. Filed this 15th day of May, 1920. T. J. Edwards, Clerk. Hoyt, Norcross, Thatcher, Woodburn & Henley, Reno, Nevada, Attorneys for Plaintiff. Civil Docket No. 812. [931]

MINUTES OF COURT—APRIL 26, 1920.

No. B-7.

DAVID TAYLOR,

Plaintiff,

vs.

NEV.-HUMB. TUNGSTEN CO., et al.

Minutes of Court—April 26, 1920—Order Continuing Hearing on Restraining Order to May 10, 1920.

Upon motion of Mr. Cooke, of counsel for defendants, it is ordered that the hearing upon the restraining order and order to show cause be, and the same is hereby, continued until the 10th day of May next.

MINUTES OF COURT—APRIL 27, 1920.

No. B-7.

DAVID TAYLOR,

Plaintiff,

vs.

NEV.-HUMB. TUNGSTEN CO., et al.

Minutes of Court—April 27, 1920—Order Continuing Hearing on Restraining Order to May 12, 1920.

On motion of Mr. Cooke, of counsel for defendants, it is ordered the hearing upon the order to show cause, be, and is further continued until the 12th day of May, next. [932]

In the United States District Court, in and for the
District of Nevada.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a Corporation, TUNGSTEN
PRODUCTS COMPANY, a Corporation,
MILL CITY DEVELOPMENT COMPANY,
a Corporation, W. J. LORING, C. W. POOLE,
R. NENZEL, H. J. MURRISH, L. A. FRIED-
MAN, C. H. JONES, G. K. HINCH, J. T.
GOODIN, V. A. TWIGG, J. C. HUNTING-
TON and LENA J. FRIEDMAN, Individu-
ally,

Defendants.

**Stipulation and Order Giving Defendants Time to
Answer.**

IT IS HEREBY STIPULATED that the de-
fendants, Nevada Humboldt Tungsten Mines Com-
pany, a corporation, Tungsten Products Company,

a corporation, Mill City Development Company, a corporation, C. W. Poole, R. Nenzel, H. J. Murrish, L. A. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington and Lena J. Friedman, individually, may have and they are each hereby given to and including the 15th day of May, 1920, in which to appear, move to dismiss, answer, or take such other action herein, or file such other defense herein as they may be advised.

HOYT, NORCROSS, THATCHER,
WOODBURN & HENLEY,
Attorneys for Plaintiff. [933]

GOOD CAUSE APPEARING THEREFOR, and pursuant to the above stipulation, it is hereby ordered that the defendants, Nevada Humboldt Tungsten Mines Company, a corporation, Tungsten Products Company, a corporation, Mill City Development Company, a corporation, C. W. Poole, R. Nenzel, H. J. Murrish, L. A. Friedman, C. H. Jones, G. K. Hinch, J. T. Goodin, V. A. Twigg, J. C. Huntington and Lena J. Friedman may have and each is hereby given to and including the 15th day of May, 1920, in which to appear, move to dismiss, answer, or take such other action herein, or file such other defense herein as they may be advised.

Done in open Court this 5th day of May, 1920.

E. S. FARRINGTON,
United States District Judge.

[Endorsed]: No. B-7. In the United States District Court, in and for the District of Nevada. David Taylor, Plaintiff, vs. Nevada Humboldt Tungsten Mines Company, a corporation, et als., Defendants. Stipulation and Order Further Time to Plead. Filed May 5th, 1920. T. J. Edwards, Clerk. [934]

MINUTES OF COURT—MAY 11, 1920.

No. B-7.

DAVID TAYLOR

vs.

NEVADA TUNGSTEN M. CO., et al.

Minutes of Court—May 11, 1920—Order Continuing Hearing on Order to Show Cause to May 15, 1920.

On motion and by consent of counsel for the respective parties, it is ordered that the hearing upon the order to show cause be, and is, continued until the 15th instant. [935]

In the United States District Court, in and for
the District of Nevada.

No. B-7.

DAVID TAYLOR,

Plaintiff,

vs.

NEVADA HUMBOLDT TUNGSTEN MINES
COMPANY, a Corporation, TUNGSTEN
PRODUCTS COMPANY, a Corporation,
MILL CITY DEVELOPMENT COMPANY,
a Corporation, W. J. LORING, C. W. POOLE,
R. NENZEL, H. J. MURRISH, L. A. FRIED-
MAN, C. H. JONES, G. K. HINCH, J. T.
GOODIN, V. A. TWIGG, J. C. HUNTING-
TON and LENA J. FRIEDMAN, Individu-
ally,

Defendants.

Response of W. J. Loring to Order to Show Cause.

Comes now W. J. Loring, one of the defendants
in the above-entitled action, and in response to
the order to show cause issued out of this Honor-
able Court on the 17th day of April, 1920, respect-
fully shows to the Court as follows:

I.

This defendant avers that while it is true that
on the 16th day of August, 1919, the plaintiff,
Taylor, entered into the contract concerning stock
of the Nevada Humboldt Tungsten Mines Com-
pany, a copy of which is annexed to plaintiff's

complaint marked Exhibit "B," and while it is also true that plaintiff on the 2d day of April, 1919, entered into the contract concerning stock of said corporation, a copy of [936] which is annexed to plaintiff's complaint marked Exhibit "C," nevertheless it is also true that both of said contracts wholly expired by limitation and became null and void on or before the 16th day of June, 1919.

In that behalf this defendant avers:

1. That the said agreement of April 2d, 1919, contains the following provisions among others:

"It is further mutually covenanted and agreed that this agreement shall expire by limitation on June 16, 1919, and shall carry with it the option hereinbefore mentioned as executed on January 16, 1919, which shall also expire by limitation on said date, and they shall be of no further force or effect if the first party shall not have negotiated the loan and secured the money provided for in paragraph one hereof."

"Time is of the essence of this agreement." That the foregoing provisions of said contract, Exhibit "C," were never changed or modified nor was the time limit therein provided for ever extended.

2. That in and by said contract Exhibit "C," the said Taylor undertook, among other things, to secure by borrowing on or before June 16th, 1919, for the Nevada Humboldt Tungsten Mines Company and its allied companies a sum sufficient

to liquidate the indebtedness of said Nevada Humboldt Tungsten Mines Company, the Tungsten Products Company and the proportion of the indebtedness of the Mill City Development Company which the parties of the second part to the said agreement then owed, said indebtedness being then estimated to be the sum of Two Hundred Twenty Thousand Dollars (\$220,000.)

3. That it was further provided in and by said contract Exhibit "C," that when and if the plaintiff, Taylor, should secure the said sum sufficient to liquidate the entire indebtedness as above provided, then the parties of the second part to said agreement would transfer and deliver to him in full payment for services rendered in securing the aforesaid sum of [937] money sixty-two (62) per cent of the issued capital stock of Nevada Humboldt Tungsten Mines Company, sixty-two (62) per cent of the issued capital stock of the Tungsten Products Company and sixty-two (62) per cent of one-half of the issued capital stock of the Mill City Development Company.

4. That it was further provided in said Exhibit "C," that a deposit of the amount necessary to liquidate the indebtedness as in said contract, Exhibit "C," set forth in the Wells Fargo Nevada National Bank should be sufficient evidence of the performance of the conditions called for by said contract to entitle the said Taylor to transfer and delivery of the aforesaid shares of stock in said respective corporations.

5. That the said plaintiff did not, as provided for in said agreement, Exhibit "C," secure by borrowing or otherwise for the Nevada Humboldt Tungsten Mines Company and its said allied companies any sum of money whatsoever, and that the said 16th day of June, 1919, came and went without any performance whatsoever by the plaintiff, Taylor, of his aforesaid undertaking to secure the money provided for in said Exhibit "C."

6. That thereafter and on the 9th day of August, 1919, the said David Taylor made oath to a complaint against the parties of the second part to said contract, Exhibit "C," wherein he alleged among other things, that he had been induced to enter into the said contract, Exhibit "C," by reason of the false and fraudulent representations of the parties of the second part to said instrument. And he further alleged on oath in said complaint that during all of the time from April 2d, to June 1st, 1919, he had given his time and effort to the consummation of said contract, Exhibit "C," and that he had expended upwards of Eight Thousand Dollars (\$8,000) for traveling expenses, assays, maps, surveys, expert services, mining [938] examinations, reports, legal fees, examination of titles, preliminary work, the organization of corporations, and for telegraph and telephone; and that as a result of the said expenditure of time and efforts, he succeeded and had pledged himself and others associated with him an amount sufficient to meet any and all obligations of his under said contract, Exhibit "C" and sufficient to enable him to

receive the shares of stock in the several corporations as therein provided for. But said plaintiff, Taylor, further alleged under oath in said complaint that on the 1st day of June, 1919, he had discovered the falsity of the representations of the defendants, and that thereupon he had communicated the same to his associates who had agreed to furnish a large portion of the money necessary for the completion of the obligations of plaintiff under said contract, and that thereupon his said associates withdrew from said undertaking and refused to go into the same or advance any money, whatsoever, for it.

7. In the said complaint said plaintiff, Taylor, further made oath that the said Nevada Humboldt Tungsten Mines Company and its said allied companies were each and all insolvent, that their debts and obligations were about One Hundred and Fifty Thousand Dollars (\$150,000,) and that the total value of their assets, including all ores developed, did not on the 2d day of April, 1919, or on the said 9th day of August, 1919, exceed the sum of One Hundred Twenty Thousand Dollars, (\$120,000.) And the said Taylor further made oath therein that had the representations of the defendants been true, the value of the sixty-two (62) per cent of the shares of stock in the respective corporations to which he would have been entitled under the said Exhibit "C" would have been One Hundred Five Thousand Four Hundred Dollars (\$105,400). [939] And the said Taylor further therein made claim under oath that because

of the alleged false and fraudulent representations so alleged by him, he had been damaged in the total sum of One Hundred Fourteen Thousand Five Hundred Seventy Nine and 44/100 Dollars (\$114,579.44); said claim being made up of the aforesaid sum of One Hundred Five Thousand Four Hundred Dollars (\$105,400) and the moneys so alleged to have been expended by him in his efforts to carry out the obligations imposed upon him by the said Exhibit "C."

8. That thereafter the said David Taylor caused said complaint to be filed in this Honorable Court, all of which more fully appears from the said complaint in the said action, which said action is still pending in this Honorable Court and is numbered "Docket 2263" upon its records, to which complaint reference is hereby made.

9. That after the said complaint had been filed, this defendant on the 16th day of August, 1919, made and entered into a contract with the Nevada Humboldt Tungsten Mines Company and others, a full, true and correct copy of which is hereunto annexed, marked Exhibit 1 and is hereby referred to and made a part hereof.

10. That in and by said contract Exhibit 1, said Nevada Humboldt Tungsten Mines Company agreed to sell to this defendant, and this defendant agreed to purchase from said corporation, all of its property and assets, with certain exceptions, all of which more fully appears from the said contract, Exhibit 1.

That this defendant agreed to pay for said prop-

erty a total of Three Hundred Thirty Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$333,333.33) in installments as follows: [940] \$50,000 on or before the 1st day of September, 1919;

\$50,000 on or before the 1st day of October, 1919;
50,000 on or before the 15th day of November, 1919;
\$50,000 on or before the 27th day of December, 1919;
\$33,333.33 on or before the 4th day of February, 1920;

\$25,000 on or before the 4th day of May, 1920;
\$25,000 on or before the 4th day of August, 1920;
\$25,000 on or before the 4th day of November, 1920;
and

\$25,000 on or before the 4th day of February, 1921.

11. That on said 16th day of August, 1919, stockholders owning and holding nine hundred ninety-one thousand eight hundred (991,800) shares of the capital stock upon the books of the Nevada Humboldt Tungsten Mines Company out of a total capitalization of one million (1,000,000) shares, made and executed a written instrument of ratification of said contract, Exhibit 1, a full, true and correct copy of which ratification is hereunto annexed, marked Exhibit 2, and is hereby made a part hereof.

That on the same day the stockholders owning and holding all of the issued capital stock of the Tungsten Products Company made and executed a written ratification of the said contract, Exhibit 1, a full, true and correct copy of which ratification is hereunto annexed, marked Exhibit 3 and is hereby made a part hereof.